mahindra FINANCE

INTEGRATED REPORT 2024-25

DELIVERING TODAY, REIMAGINING TOMORROW

FUELLING ASPIRATIONS OF EMERGING INDIA

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FY2025 Key Highlights

₹57,900 crore
Highest-ever annual disbursement
up 3% Y-o-Y

₹1,19,673 crore
Gross Loan Book
up 17% Y-o-Y

₹2,345 crore
Profit After Tax (PAT)
up 33% Y-o-Y

1.9%
Return on Assets (RoA)

6.5%
Net Interest Margin (NIMs)

Capital Management

18.3% Capital Adequacy Ratio

325% Dividend

Asset Quality

- Stable Gross stage 3 at 3.7%; <4.0% for 6 consecutive quarters
- Coverage ratio prudent at 51.2%
- Credit cost for FY2025 stood at 1.3% underscoring prudent risk management

DELIVERING TODAY, REIMAGINING TOMORROW

FUELLING ASPIRATIONS OF EMERGING INDIA

At Mahindra Finance, we are delivering on the dreams of today while reimagining the possibilities of tomorrow. As a trusted financial partner, we are committed to empowering India's economic landscape through inclusive growth and financial enablement.

We offer tailored financial products that meet the evolving aspirations of individuals and businesses across Emerging India. With a strong presence across the country, we serve our customers throughout their financial journey, enabling access and opportunity to all.

Over the years, we have built a solid foundation through a committed workforce, solutions aligned with financial inclusion goals, a robust distribution network, tech-enabled operations and strong strategic partnerships.

We are shaping the future by partnering with individuals and communities, offering relevant solutions, including technology led solutions that bring simplicity and efficiency to every interaction.

We are partnering individuals and communities with relevant relationship toolkits including AI-powered solutions.

WE ARE MAHINDRA FINANCE.

WE ARE A POSITIVE FORCE FOR CHANGE.

Disclaimer

Please note that certain statements in this report with regards to our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements.

About the Report

ADHERENCE TO REPORTING GUIDELINES

Our FY2025 Integrated Annual Report adheres to the internationally recognised Integrated Reporting framework to offer a comprehensive insight into the functioning of Mahindra & Mahindra Financial Services Limited ('MMFSL'/'Mahindra Finance') . This report covers all the key aspects of functioning that lead to value creation for all our stakeholders, such as our performance, governance, material risks and opportunities, strategy and future prospects.

Scope of Reporting

Reporting Period

At the close of every financial year, we compile, produce, and publish a comprehensive report that sheds light on our strategy, business model, operating environment, key risks, stakeholder interests, performance, future prospects, and governance. This year's report spans the period from 01st April 2024 to 31st March 2025, offering a detailed snapshot of our journey and achievements.

Reporting Boundary

The Report showcases the comprehensive operations of Mahindra Finance, besides providing an insight into our subsidiary companies. Over the reporting year of FY2025, we had an extensive network of 1,365 branches/offices having presence in 27 states and 7 union territories across India. Our strong presence is an indication of our commitment towards providing pan-India coverage and service excellence across all our operations.

Financial and Non-Financial Reporting

We have moved beyond conventional financial reporting to explore non-financial performance indicators, opportunities, risks, and outcomes linked to our key stakeholders. These stakeholders play a pivotal role in shaping our value creation, and underscoring the importance of their inclusion in our analysis.

Materiality

This Report offers a comprehensive overview of all material aspects of our business. It is designed to address the key interests of our stakeholders, providing insights into our Company's performance, prospects, and commitment to creating sustainable, shared value. Every piece of information in this report is firmly grounded in the economic, social, and environmental context of our operations.

Our Capitals

As we aspire to be a future-ready organisation, driving value in the realm of digital transformation, our success hinges on the effective management of different forms of capitals. These include the diverse types of capital at our disposal (inputs), how efficiently we utilise them (value-enhancing activities), our impact on them, and the value we deliver through them (outputs and outcomes), all of which are interconnected.

- **Financial Capital**
- **Manufactured Capital**
- **Intellectual Capital**
- **Human Capital**
- **Social and Relationship Capital**
- **Natural Capital**

Targeted Readers

This Report is crafted to address the critical information required by our long-term investors, including equity shareholders and prospective investors. It also encapsulates our value creation strategy for other vital stakeholders such as employees, partners, suppliers, customers, regulators, and society at large. Through this Integrated Report, we aim to provide a comprehensive view of our commitment to these stakeholders.

Report Alignment

This Report aligns with the principles and guidelines applicable to our Company, including but not restricted to:

1. Global Reporting Initiative (GRI): in accordance with the core option
2. International <IR> framework of the International Integrated Reporting Council (IIRC) (now known as Value Reporting Foundation)
3. United Nations Sustainable Development Goals (UNSDGs)
4. United Nations Global Compact (UNGC) Principles
5. National Guidelines on Responsible Business Conduct (NGRBC)
6. Directions and circulars issued by the Reserve Bank of India
7. The Companies Act, 2013 (and the rules made thereunder)
8. Indian Accounting Standards and International Financial Reporting Standards
9. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable SEBI Regulations

Board's Support for Value Creation

To our shareholders and other stakeholders,

We are delighted to share our FY2025 Integrated Annual Report with our shareholders and other stakeholders. This report offers pertinent insights into our performance, operating context, governance, material risks and opportunities, strategy, and prospects at Mahindra Finance.

As the Board, we recognise our duty to uphold the integrity of this Integrated Annual Report. We believe that this report addresses all material issues, presenting a fair and accurate depiction of our Company's integrated performance and its impact.

Report Assurance

We ensure the accuracy and reliability of the information in this report through a meticulous assurance process. This process includes our internal experts and an independent third-party assurance provider, SGS India Private Limited. For further details, please refer to our Assurance Statement on page 85.

UNSDGs Catered to

Material issues addressed

M1 Emissions and Climate Change	M5 Diversity, Equity & Inclusion (DEI)
M2 Responsible Products and Services	M6 Board Governance
M3 Customer Well-being	M7 Risk & Control Systems
M4 Human Capital	M8 Business Ethics

You can view the Integrated Report by accessing the QR Code

About the Cover:

The Cover of Mahindra & Mahindra Financial Services Limited Integrated Annual Report for 2024-25 showcases our extensive reach and products for meeting financial inclusion goals.

Chairman's Message

ROOTED IN TRUST, RISING WITH INDIA

Dear Stakeholders,

Charles Darwin famously observed that "It's not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change."

The past year has witnessed an accelerated rate of change across the global order. In a world of transition ranging from global geopolitical developments to tightening financial condition, India has not just stood strong but has also shown remarkable resilience. Inflation has eased below 4%, fiscal deficit remains under control, and the strength of our services, exports and remittances has helped maintain a healthy current account. These are signs of an economy with deep, structural stability.

A moderation in domestic consumption and government expenditure has led to more cautious growth forecasts from institutions, including the Reserve Bank of India. However, when we look closer at the economic indicators, it's clear that India's long-term growth story remains intact. Non-Banking Financial Company (NBFCs) have been instrumental in driving this growth at grassroot levels and fostering financial inclusion, particularly in underserved rural and semi-urban markets.

At Mahindra Finance, we remain optimistic, we believe change brings opportunity. In addition, with resilience at our core, we are well-positioned to serve the evolving needs of our customers and communities. It is with great pride and gratitude that I extend my appreciation to the Mahindra Finance family, our Board of Directors, leadership team, employees across 1,365 branches, our network of over 6,000 dealers, and most importantly, our valued customers and shareholders. Your trust and commitment are the foundation of everything we have accomplished.

Delivering with Discipline and Purpose:
In a year that demanded prudence, we took a measured stance, prioritising quality, sustainability, and long-term value creation. We continued to expand thoughtfully, strengthening our presence in existing markets while entering new ones with clarity and purpose.

Our Assets Under Management (AUM) stood at ~₹1.2 lakh crore at the end of fiscal year and we remain well-capitalised to support the future growth aspiration. We have fulfilled our commitment of consistent and stable asset quality with credit cost below the guidance threshold. All major rating agencies have reaffirmed a AAA/Stable rating for our long-term and subordinated debt, reflecting our strong financial position and consistent performance. With a clear emphasis on operational efficiency, we are advancing firmly toward delivering on our profitability commitment.

At Mahindra Finance, we remain steadfast in our belief that growth must be underpinned by disciplined risk management and enduring impact. Through strong governance, robust risk frameworks, and transformative digital initiatives, we are establishing a resilient and scalable platform - one that embodies trust, dedication, and purpose while unwaveringly serving Bharat.

Focussed Strategy, Future-Ready Thinking:
Looking ahead, our focus is clear; we are building a company that is governed by strong values, powered by technology, and driven by operational excellence. We are embedding digital transformation at the heart of our operations, implementing a distinctive front-to-back initiative powered by AI and emerging technologies. This transformative effort is advancing with purpose, enabling us to redefine customer experience through simplicity and intuitiveness, while keeping us competitive through reduced delivery times.

In parallel, we are strengthening our governance, controls, and risk frameworks to ensure we grow responsibly. We believe that decisions made with discipline today will become the foundation of scalable, sustainable growth tomorrow.

Synergies That Empower Rural India:
At the Mahindra Group, we believe true impact lies in addressing the diverse and evolving financial needs of our customers across Bharat. Our ecosystem approach, anchored by Mahindra Finance, Mahindra Insurance Brokers, and Mahindra Rural Housing Finance, enables us to offer integrated solutions spanning credit and insurance. This synergy strengthens our ability to engage with customers across geographies, support them through different life stages, and deliver financial services that are accessible, secure, and future-ready.

Investing in People and Culture:
Our people remain our greatest strength. We're actively developing future-ready leaders who are equipped to thrive in a rapidly changing world. We're proud that Mahindra Finance continues to be recognised for its governance, transparency, and service orientation values that are deeply embedded in our DNA.

Driving Positive Change with Purposeful Action:
Beyond business, we are deeply committed to making a meaningful difference in the communities we serve. Our flagship initiative, Dhan Samvaad, is leading the way in financial and digital literacy, touching the lives of nearly 2,00,000 individuals, 37% of whom are women. We are empowering women by enabling new livelihood opportunities through e-rickshaw driver training and skilling them in areas such as agriculture, tally, and coding through Mahindra Pride. Our Saksham initiative is supporting students in their educational journeys with scholarships, while the Nanhi Kali programme continues to champion girl child education, opening doors to brighter futures.

Looking Forward with Optimism:
Today, we see a new India taking shape. This India is where young people from rural and semi-urban backgrounds are evolving as first-generation entrepreneurs. They are ambitious, digitally aware, and looking for partners who believe in their dreams.

At Mahindra Finance, we are committed to being that partner, one who not only lends, but empowers. One who understands Bharat, believes in its future, and rises with it.

The journey ahead will require resilience, innovation, and empathy. And with our purpose as our compass, I am confident that Mahindra Finance will continue to shape a more inclusive and prosperous tomorrow.

Thank you for being part of this journey.

Dr. Anish Shah
Chairman

Managing Director & CEO's Message

PARTNERING PROGRESS, POWERING POSSIBILITIES

Dear Stakeholders,

As I complete one year as Managing Director & CEO, I am deeply thankful to everyone who has placed their trust in Mahindra Finance. It has been a year of learning, listening, and transformation. Our strong legacy inspires every step we take today as we work towards reimagining Mahindra Finance for a dynamic, fast-evolving India.

Over the past year, we have made significant progress while staying true to our vision of becoming the preferred financial solutions partner for emerging India. Despite evolving customer expectations, heightened competition, and rapid technological shifts, we have remained focussed on building a future-ready organisation.

Credit growth momentum has moderated in FY2025 with challenges in asset quality in some segments. In this backdrop, we remained cautiously optimistic in our approach delivering a 17% AUM growth in FY2025. Positive tailwinds include steady demand for used vehicles, momentum in some segments of PV demand, improving rural sentiment, and favourable monsoons which sustained tractor demand.

The MSME segment, a vital contributor to economic activity, has experienced robust double-digit growth post-pandemic, driven by digital lending advancements and targeted government initiatives. MSME credit growth is expected to remain steady, with NBFCs anticipated to play a larger role.

Financial and Operational Highlights

We stand at a pivotal point, the culmination of our 'Mission 2025' strategy. I am happy to share that we met most our key goals. Our loan book has grown 1.8 times since FY2022, bringing us close to our goal of doubling it. Our asset quality has also improved; with Gross Stage 3 (GS-3) assets now well below our target and closing at 3.69%. This progress comes from better credit checks, fraud controls, and tighter risk processes. Our Net Interest Margins (NIMs) have declined to 6.5% due to increasing costs; however, we anticipate an improvement as funding costs stabilise.

Disbursement growth remained modest at 3%, reflecting a prudent and measured approach in line with evolving market dynamics. While we are still working towards our diversification goals, encouraging momentum is visible, non-wheels disbursements increased to 7% of the overall mix, compared to 5% in the previous year. Return on Assets (RoA) has also demonstrated improvement year-on-year, and we remain committed in our ability to cross the 2% threshold in the near term. These results are a validation of our focussed strategy, fortifying our core leadership in the wheels segment, scaling select growth adjacencies, and reinforcing a disciplined risk and cost framework.

Our SME lending portfolio continues to demonstrate a strong momentum, growing at a compounded annual rate of 30-40%, underlining our commitment to enabling small and medium enterprises across the country. In FY2025, SME disbursements rose sharply by 48%, positioning the segment as a strategic lever for diversified growth.

Strengthening asset quality has been a key focus area. Our Credit costs declined to 1.3%, down from 1.7% in FY2024, and net end losses dropped to ₹1,559 crore, compared to ₹1,715 crore in FY2024. This achievement is the result of enhanced underwriting standards, a sharper focus on early warning signals, and an empathetic, yet disciplined, collections approach.

Digital transformation and Operational efficiency

At the heart of our transformation is technology. Through Project UDAAN, we are reimagining every facet of our business from customer onboarding and loan processing to collections and service delivery. We have completed key cloud migrations for critical applications and launched comprehensive digital platforms for both customer onboarding and collections. As a result, our digital collections now constitute approximately 77% of total collections, up from 69% last year, reflecting meaningful progress in our digital transformation journey.

Operational productivity has improved, with a disbursement CAGR of 8% over the past two years, achieved despite maintaining a stable headcount. Operating expenses remained well controlled at 2.7%, underscoring continued focus on process streamlining.

We are focussed on building future-ready capabilities by developing homegrown talent while also bringing in experienced professionals from banks, NBFCs, and technology firms to strengthen critical functions. These efforts have significantly enhanced our leadership depth, ensuring we are well-prepared to meet future challenges. Our commitment to building a capable workforce has been recognised externally, with Mahindra Finance receiving the 'Best Talent & Workforce Team among NBFCs' award from Business Today.

At Mahindra Finance, we believe that real progress goes beyond balance sheets. Through our flagship program Dhan Samvaad, we are promoting financial and digital literacy across underserved communities, with the ambition to impact one million lives by 2030. We continue to invest in education, skilling, water conservation, and agroforestry initiatives, creating positive change across rural and semi-urban India.

Looking ahead to FY2026 and beyond, we aim to solidify our leadership in key vehicle financing categories while building a diversified portfolio. Our focus is on excelling in fulfilling shareholder commitments by driving revenue growth, enhancing operational efficiency, and maintaining disciplined credit cost management

Our priorities centre on a simple idea: empowering aspirations. Whether it's a farmer buying his/her first tractor, an entrepreneur growing his/her business, a family moving into their own home, or a young professional planning for the future, we strive to be a trusted partner every step of the way.

This journey has been made possible by the guidance of our Board and stakeholders. To our employees, I am deeply grateful for your passion and resilience. To our channel partners thank you for your commitment and partnership and to our customers, thank you for placing your trust in us - your dreams are our purpose.

As we move forward with renewed energy and optimism, we remain committed to building a trusted, agile, and purpose-driven institution that meets the needs of today while paving the way for tomorrow.

Regards,

Raul Rebello
Managing Director & CEO

Governance

WINNING WITH INTEGRITY

Staying true to our motto of Rise for Good, we maintain steadfast commitment to business ethics, human rights and strong corporate governance to create impactful business value with purpose for all stakeholders. Our endeavour is to ensure that business operations not only thrive economically but also contribute positively to society and environment.

Strengthening Foundation for a better tomorrow

The 4 Pillars of Corporate Governance

Building a Foundation for Accountability, Transparency, Responsibility and Fairness

1. **Accountability**
Ensuring that the company's actions and decisions are accountable

2. **Transparency**
Providing accurate and timely information about the Company

3. **Responsibility**
Ensuring that the Company complies with all laws and regulations

4. **Fairness**
Treat stakeholders fairly, equally and guard against prejudice

Mahindra Finance Governance Framework

Board & Committees

- Proficient, diversed, experienced and balanced Board with Management oversight
- 9 out of 11 Board Committees are led by Independent Directors
- Board level ALCO Committee, Voluntary constitution of Digital and AI Committee
- Frequency of Board/Committee meetings higher than statutory requirement for enhanced reviews
- Periodic meeting of Board sub committee to discuss on ESG related matters

Disclosures and Transparency

- Prompt and adequate dissemination of material Information to stock exchanges, regulators and stakeholders
- Adequate internal financial controls with reference to financial statements, deployed through COSO

Stakeholder Engagement

- Robust engagement process and listening mechanism to address concerns and keep all stakeholders informed
- Re-designed all new Customer App, and AI powered bot (in 4 languages) to digitalise and improve customer interactions
- Quarterly investor calls, pro-active dialogue with stakeholders to gain deeper insights and capitalise on business opportunities
- Shareholder Satisfaction Survey - Dedicated Portal for investor feedback
- Diversity, Equity and Inclusion initiatives to train and empower women, Policies for maternity transition support, menstrual wellness, gig working opportunities. Focussed Programs like MWOW to enhance women workforce, create awareness on beating the Bias
- Call centre management for grievance redressal of customers
- Dedicated centralised resolution team to address Bureau-related concerns
- CSR Thrust on promoting education, financial and digital literacy, E-Auto rickshaw driving training programmes for women, Project Hariyali and Water conservation for environment focus, etc.

Controls

- Leveraging cutting-edge technology and digital innovation to strengthen controls and streamline processes
- Established centralised risk containment unit to investigate mitigate fraudulent activities
- Implementation of pro-active risk management techniques and enhanced risk posture. Strengthened Business Continuity management policy
- Robust policies, framework and guidelines across functions and operations. Annual review of policies
- Internal auditor reporting directly to the Audit committee of the Board
- Bolstered Cyber security framework to safeguard data. Established 24/7 Security Operations Centre (SOC) dedicated to monitoring cyber security alerts and providing immediate response to incidents
- Remuneration Policy for KMP, SMPs and other employee contain clawback, malus clauses to be invoked in cases of fraud, breach of trust, misrepresentation etc.

Please refer to Company's Corporate Governance Report for more details.

Going beyond the Statutory Mandate - Best Practices and Governance Milestones

Sustainability & CSR

- Independent assessment of sustainability policies and procedures through a third-party institute of quality.
- Undertaken reasonable assurance of the BRSR Core data in FY2025
- Undertaken limited assurance of non-financial data in Integrated Report and non-core BRSR data for FY2025.
- Developed CSR Grants Management Manual for Implementation Partners

Policies

- **Whistle Blower:** Dedicated Independent third-party Ethics Helpline Service Portal for **reporting of incidents by employees, Directors and any other Stakeholders,** and safeguarding the identity of the whistle blower. Anonymous Complaints are also investigated and reported.
- **POSH**: Applicable to contractual personnel and employees and is gender neutral. Thorough time-bound investigations of complaints, organisation-wide awareness, mandatory trainings. Nil pending cases as on year end FY2025.
- **Prevention of Insider Trading (PIT):** Adoption of Digital platform for automating transactions, SDD maintenance, reportings and monitoring of PIT Regulations. organisation-wide awareness, training sessions, e-learning modules with self-assessment test
- Mandatory training modules on AML KYC, FPC, ORM, ABAC, Whistle Blower Policy, Code of Conduct, Cyber Security to enhance awareness amongst employees

Best Corporate Secretarial Practices

- Silent Period observed from 1st day of the month after quarter end till announcement of results, wherein no interactions are held with investors/analysts/funds to ensure protection of unpublished price sensitive information
- Quarterly secretarial audit
- Enhanced Terms of Reference of Board & Committees
- Summary of all important Board proposals is sent to the Directors
- Separate meetings of Joint Statutory Auditors, Internal Auditor with Audit Committee
- Investor Grievance Redressal Policy formulated to provide timely redressal and escalation mechanism
- Secured Board Portal - archival of all Board materials, and protection of UPSI

Compliances

- Established compliance Testing and Monitoring framework to ensure in-depth verification of compliances with regulatory guidelines, frameworks etc. Deviations, if any, are reported to the Board/Audit Committee
- Software usage/Digital Initiatives to improve tracking, monitoring and reporting of compliances
- Independent 3rd party Audit on Related Party Transaction framework in FY2025

Board of Directors

(as on date)

Our experienced Board of Directors maintain an overview on the Company through a robust framework. The Board serves and protects the long-term interests of our stakeholders and guides our robust processes. In addition to bringing valuable perspective to the Board, our Independent Directors contribute meaningfully through their role in the Committees.

Standing
(Left to right)

Mr. Milind Sarwate
Independent Director

Mr. Ashwani Ghai
Non-Executive Non-Independent Director

Mr. Raul Rebello
Managing Director & CEO

Mr. Amarjyoti Barua
Non-Executive Non-Independent Director

Mr. Diwakar Gupta
Independent Director

Sitting
(Left to right)

Mr. Vijay Kumar Sharma
Independent Director

Dr. Anish Shah
Non-Executive Chairman

Dr. Rebecca Nugent
Independent Director

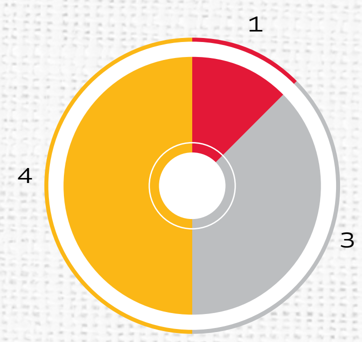
97%
Average Attendance Rate at Board Meetings in FY2025

3.1 years
Average tenure of Independent Directors as on 31st March 2025

9 out of 11
Committee Chairpersons are Independent Directors

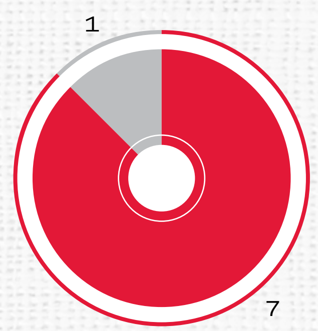
1
Independent Woman Director

Board Composition



- Managing Director & CEO
- Non-Executive Non-Independent Directors
- Independent Directors

Board Gender Diversity



- Male
- Female

Steering Committee and CS

(as on date)

Our executive leadership guides our progress through strategic decisions, effective risk management, and oversight of policy execution. By aligning operations with regulatory norms and market expectations, the Steering Committee drives sustainable growth and ensures financial resilience.

Standing
(Left to right)

Sitting
(Left to right)

Steering Committee Members

Mr. Pradeep Kumar Agrawal
Chief Financial Officer - Financial Services Sector ("FSS")

Mr. Mahesh Rajaraman
Chief Risk Officer - FSS

Mr. Bhuwan Lodha
Chief Executive Officer, AI Division - Mahindra & Mahindra Ltd.

Mr. Mod Narayan Singh
Chief Compliance Officer

Mr. Manish Sinha
Chief Human Resource Officer - FSS

Mr. Shivkumar N. V.
Chief Business Officer - Small and Medium Enterprises

Mr. Sandeep Mandrekar
Chief Business Officer - Wheels

Mr. Jaspreet Chadha
Chief Executive Officer - Mahindra Rural Housing Finance Ltd.

Mr. Anthony Heredia
Managing Director & CEO - Mahindra Manulife Investment Management Private Ltd.

Mr. Mohit Kapoor
Executive Vice President & Chief Technology Officer - Mahindra Group

Ms. Deepa Ranjeet
Chief Digital Officer - FSS & Head of Information Technology

Ms. Farida Balsara
Chief Legal Officer - FSS

Mr. Raul Rebello
Managing Director & CEO - FSS

Company Secretary

Ms. Brijbala Batwal
Dy. Senior Vice President & Company Secretary

Who We Are

LEADING FINANCIAL SOLUTIONS PARTNER OF CHOICE FOR EMERGING INDIA

Last-mile partners for serving the entire value chain

Mahindra Finance is classified as an upper layer Non-Banking Financial Company (NBFC) and is one of the leading NBFCs delivering trusted financial products and solutions to diverse customers across the rural and semi-urban areas.

Our core business encompasses providing tailored financing solutions to individuals and businesses, empowering communities and ensuring growth of the nation. We offer loans for purchase of new and pre-owned passenger vehicles (utility vehicles, cars), tractors, commercial vehicles, and construction equipment.

Additionally, we offer housing finance, personal loans, financial solutions tailored for small and medium enterprises, insurance broking services, loans against property (LAP), leasing solutions, and mutual fund distribution services.

We maintain strong relationships with our dealers and partnerships with Original Equipment Manufacturers (OEMs), which enables us to offer convenient on-site financing at dealerships. The customer gains access to quick, flexible and a simplified purchase process owing to our presence at the point of sale.

We are present internationally through our subsidiary, Mahindra Finance USA LLC, in joint venture with Rabobank Group, which displays our commitment to delivering financial solutions to customers globally. Our services include retail financing to customers and wholesale inventory financing to dealers for purchasing products from the Mahindra Group. In addition, our Sri Lankan subsidiary, Mahindra Ideal Finance Limited (MIFL), in strategic alliance with Ideal Motors, is a fast-growing NBFC that offers loans and fixed deposits.

Mahindra Finance - By the Numbers

₹1,19,673 crore
Gross Loan Book

1,365 offices
Pan-India Network

11+ million
Total No. of Customers

10+ OEMs

6,000+
Total No. of Dealers

Pride of our Parentage

Founded in 1945, the Mahindra Group is one of the largest and most admired multinational federation of companies with presence in 100+ countries. For over eight decades, the Group has undergone a series of transformational changes while staying true to its core mission: to bring together diverse, future-facing industries and communities to co-create a positive world, where one enables the other to Rise. The Group enjoys a leadership position in farm equipment, utility vehicles, information technology, and financial services in India and is the world's largest tractor company by volume. It has a strong presence in renewable energy, agriculture, aerospace, auto components, recycling, logistics, hospitality, and real estate.

The Mahindra Group has a clear focus on leading Environmental, Social, and Governance (ESG) globally, enabling rural prosperity and enhancing urban living. Its goal is to drive positive change in the lives of communities and stakeholders, enabling them to Rise.

OUR VALUE SYSTEM

Vision

Leading and responsible financial solutions partner of choice for Emerging India

Purpose

Drive positive change in the lives of our communities. Only when we enable others to rise will we rise #TogetherWeRise

Core Values

- Professionalism
- Good Corporate Citizenship
- Customer First
- Quality Focus
- Dignity of the Individual

OUR BRAND PILLARS

Rise for a more equal world
Climate change
Inclusion
Ethics

Rise to be future-ready
Customer-focussed
Technology
Innovation

Rise to create value
Entrepreneurship
Scale
Impact

Mahindra Finance Architecture

mahindra Rise
Mahindra & Mahindra Limited

52.49%*

mahindra FINANCE
Mahindra & Mahindra Financial Services Limited

- 100%[1] Mahindra Insurance Brokers Limited ("MIBL")
- 98.43%[2] Mahindra Rural Housing Finance Limited ("MRHFL")
- 49% Mahindra Finance USA LLC (Joint venture with Rabobank group subsidiary)
- 51%[3] Mahindra Manulife Trustee Pvt. Ltd ("MMTPL")
- 51%[3] Mahindra Manulife Investment Management Pvt. Ltd ("MMIMPL")
- 58.2%[4] Mahindra Ideal Finance Ltd ("MIFL"), Sri Lanka
- 100% Mahindra Finance CSR Foundation

Note:

1. MIBL became wholly-owned subsidiary of the company w.e.f. 22nd September 2023.
2. Balance 1.57% held by MRHFL Employee Welfare Trust and employees.
3. Manulife Investment Management (Singapore) Pte. Ltd. holds 49% of the shareholding of MMIMPL and MMTPL.
4. MIFL w.e.f. 8th July 2021 is a subsidiary of the Company

* As on date

30+ glorious years

For that long we've been empowering our customers by being a leading provider of innovative financial and credit solutions, striking the right balance between evolving customer demands and our core values.

With Assets Under Management of ₹ 1,19,673 crore, we cater to the aspirations of an expanding customer base. Our diverse range of solutions reached over 11 million customers, driving meaningful growth and helping them build a better future.

Over time, we have expanded our expertise from financing vehicles to delivering a comprehensive suite of financial services including investments and insurance solutions. Our loan portfolio encompasses financing for the purchase of new and pre-owned passenger vehicles (utility vehicles, cars), tractors, commercial vehicles, and construction equipment. Additionally, we offer housing finance, personal loans, financial solutions tailored for small and medium enterprises, insurance broking services, loans against property (LAP), leasing solutions, and mutual fund distribution services.

BY EXPANDING AND DIVERSIFYING OUR PORTFOLIO OF PRODUCTS, WE ARE ALSO DIVERSIFYING OUR CUSTOMER BASE, AND TARGETING THE LARGE UNDER-SERVED CUSTOMER BASE ACROSS GEOGRAPHIES.

Credit Ratings

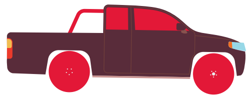
All the major rating agencies have assigned AAA/stable rating to our long-term and subordinated debt. The ratings continue to reflect our credit strength, diversified funding profile and the competitive cost at which we borrow funds.

Rating Agency	Rating	Outlook
India Ratings		
Long term Issuer Rating; Bank Facility; Non-Convertible Debenture (incl. MLD) and Subordinated debt; Fixed Deposit	IND AAA IND PP-MLD AAA	Stable
Short term Bank Facility & Commercial Paper	IND A1+	-
CRISIL		
Long term Bank Facility; Non-Convertible Debenture and Subordinated debt; Fixed Deposit	CRISIL AAA	Stable
Short term Bank Facility & Commercial Paper	CRISIL A1+	-
CARE Ratings		
Long term Non-Convertible Debenture and Subordinated debt	CARE AAA	Stable
Brickwork		
Long term Subordinated debt	BWR AAA	Stable

Product Suite

SHAPING DREAMS AND CATALYSING GROWTH WITH CUSTOMER-CENTRIC FINANCIAL SOLUTIONS

Our diverse product portfolio is thoughtfully designed to address the unique needs of our customers, empowering them to achieve their aspirations and unlock new opportunities. Whether it's financing for vehicles and businesses or providing the right investment avenues, our solutions are crafted to support customers at various stages of their financial journey. Through these tailored offerings, we are not only catalysing growth but also building resilience and unlocking opportunities across the nation.



Vehicle Finance

Areas of strength and differentiation

- **Diverse vehicle financing:** Auto, utility vehicle, passenger cars, tractors, commercial vehicles, and construction equipment
- **Pre-owned vehicle financing:** Meeting demand and potential in the used-vehicle market
- Vehicle **leasing solutions** through our digital platform **Quiklyz**
- Strong relationships with OEMs and Channel partners (Dealers)
- **Broad customer base:** Fleet operators, farmers, businesses, self-employed, and salaried individuals
- **Deep penetration in rural and semi-urban areas** - serving customers across 97% pin codes in India

KPIs

8,50,000+
New contracts financed

16%
Y-o-Y Growth in Asset Book

SME Finance

Areas of strength and differentiation

- **Diverse loan offerings:** Loan Against Property, Equipment Finance, Working Capital Finance, and Supply Chain Finance for MSMEs.
- **Robust technology and enhanced due diligence:** High degree of digitisation in product delivery solutions with fintech integrations for risk management, fraud control, system-based business rule engines and regulatory compliance.
- **Risk Management:** Retail-focussed AUM build-up reducing concentration risk.
- **Leveraging the Mahindra Group ecosystem:** Credibility, expertise and resources as a trusted financial partner.

KPIs

₹6,100+ crore
AUM of MSME segment

28%
Y-o-Y Growth in Asset Book

Housing Finance

Our subsidiary MRHFL provides housing finance under the brand name Mahindra Home Finance.

Areas of strength and differentiation

- A comprehensive portfolio of housing loans, catering to varied customer needs, including purchase, construction, extension and renovation
- Access to housing finance across the geographical spectrum of rural, semi-urban and urban India through a vast network of 600+ branch locations
- Personalised mortgage for all types of salaried and self-employed customers

KPIs

₹2,000+ crore
Loan disbursements

12,000+
New customer contracts

Partnership – Co-lending, Co-originations

Areas of strength and differentiation

- Partnering with financial institutions and platforms to leverage their expertise in sourcing and loan servicing to grow the retail book
- Collaborating with banks to increase financial outreach to customers at attractive costs and strengthening partnerships with NBFCs, Banks and MSME platforms
- Utilising digital platforms to identify cross-sell and up-sell opportunities, while enhancing overall customer service

Insurance Broking and Distribution

Insurance Distribution (MMFSL)

KPIs

₹520+ crore
Gross Premium

8,10,000+
Risks Covered

Areas of strength and differentiation

- Providing a comprehensive portfolio across life, health, motor, and property insurance through trusted partnerships with 10+ leading insurers
- Resilient, tech-enabled insurance franchise serving customer needs and protecting assets
- Multi-channel distribution including 1,300+ branches to enhance our customer outreach
- Advanced propensity models, in-house claims support team and upskilling, to further sharpen the execution

Insurance Broking (MIBL)

KPIs

₹4,700+ crore
Gross Premium

Areas of strength and differentiation

- Fulfilling customer needs: Understanding customer's insurance requirements, risk profile and providing simple, transparent and affordable life, health and asset protection solutions
- Providing end-to-end insurance advisory: Building trusted relationships with customers by providing end-to-end support across policy purchase, servicing, and claims settlement

Mutual Funds (Mahindra Manulife)

KPIs

₹27,000+ crore
AUM as on 31st March 2025

86%
Individual AUM

Areas of strength and differentiation

- Delivering consistent long-term investment performance across asset classes and product categories
- Delivering solutions through a complete product range complemented by a high standard of service and convenience
- Using technology to make the customer's journey as seamless as possible

Fixed Deposits

Areas of strength and differentiation

- Highest credit rating of AAA
- Attractive interest rates with superior service enabled by robust processes and technology
- Expanding network and making presence in remote areas of the country to tap into rural and semi-urban savings potential of India

KPIs

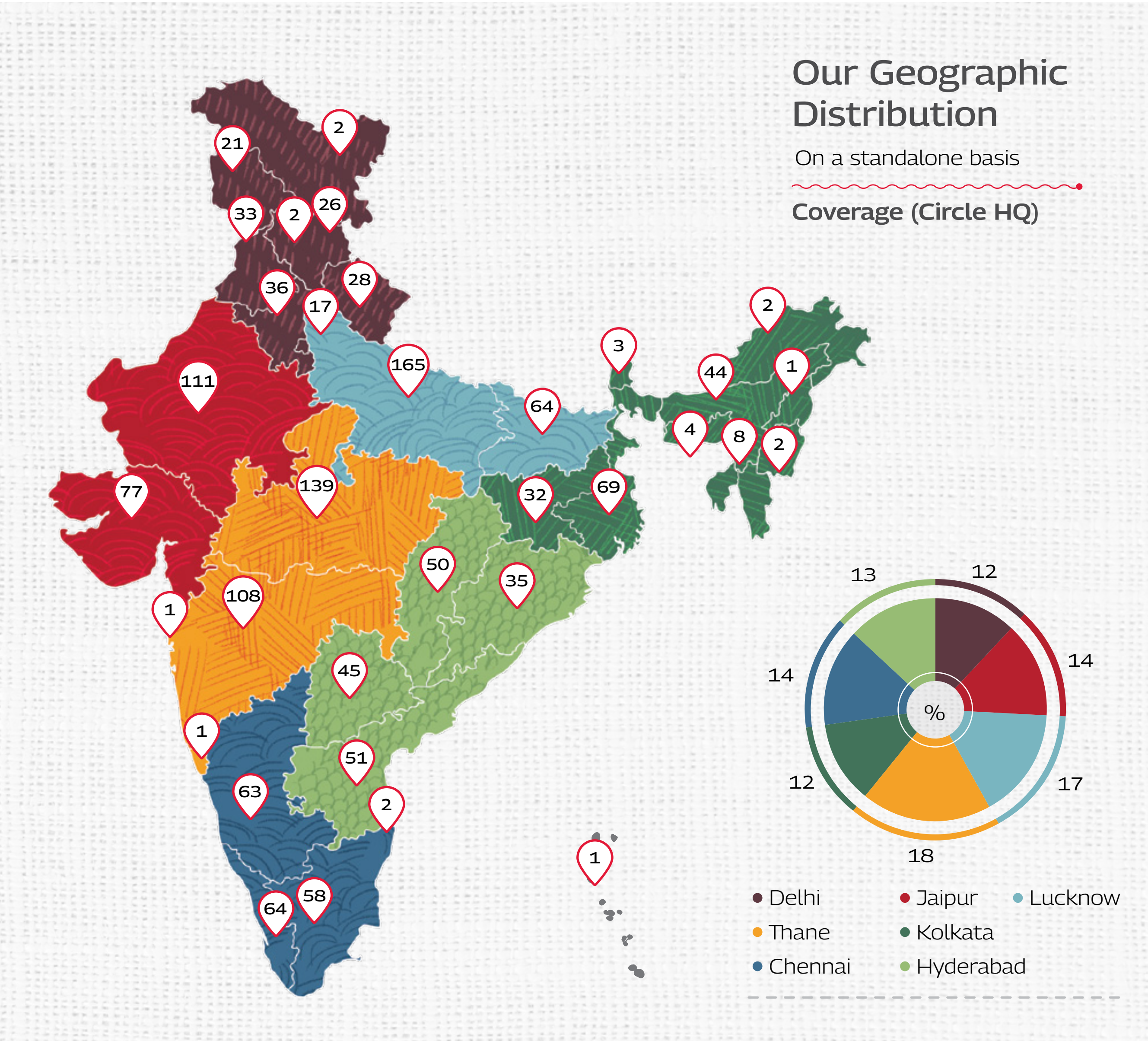
₹6,600+ crore
Funds Mobilisation in FY2025

1,00,000+
Active Investor Base

Our Geographic Presence

PRESENCE THAT POWERS PROGRESS

We are dedicated to expand access to financial services across the nation through our robust network of 1,365 branches, strategically located in rural, semi-urban, and urban regions across 27 states and 7 union territories in India. As part of our renewed focus for the year, we have undertaken a strategic revamp of our retail branch structure to enhance operational efficiency, optimise resource utilisation, and drive cross-selling opportunities across our suite of financial offerings. This initiative reflects our commitment to strengthen the retail branch network as a pivotal channel for sustained growth, deliver superior customer service, and streamline operational processes.



On a standalone basis

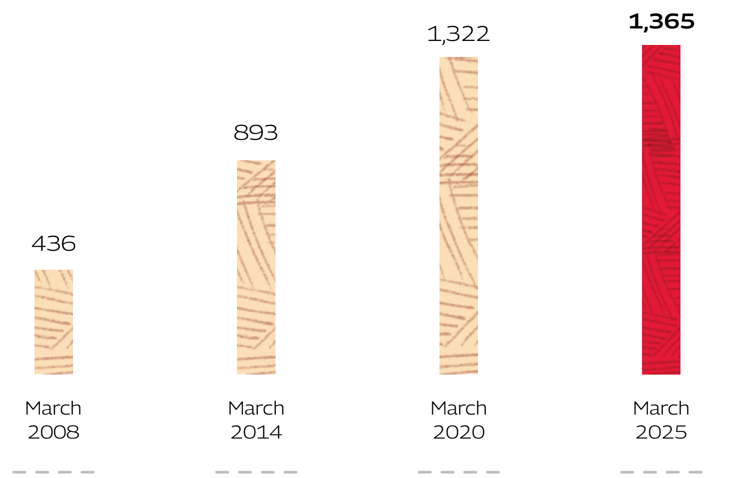
Circle HQ	Disbursement		Business Assets	
	FY2025	FY2024	Mar-2025	Mar-2024
Delhi	14.0%	13.4%	13.8%	13.1%
Jaipur	15.8%	15.1%	14.8%	14.0%
Lucknow	17.8%	18.0%	17.7%	17.7%
Thane	18.6%	17.1%	19.0%	18.8%
Chennai	12.3%	12.6%	12.0%	12.0%
Hyderabad	12.7%	12.8%	12.4%	12.7%
Kolkata	8.8%	11.0%	10.3%	11.6%

Smart counters

To elevate our customer experience and strengthen our dealer partnerships, we have strategically solidified our network by establishing nearly **670** smart counters located within our dealer partners' premises. This year alone, we **introduced 156 new counters**. These counters are designed with minimal infrastructure and a leaner workforce compared to our regular branches and cater to the specialised needs of our dealer partners.

Our teams are equipped with essential IT infrastructure like computers, laptops, and printers etc. and to ensure uninterrupted operations during power outages reliable power backup are placed strategically.

An expanding branch network



Customer Focus

FORGING BONDS OF TRUST THROUGH CUSTOMER CENTRICITY

We value the trust our customers place in us, as we partner with them in fulfilling their dreams. Our aim is to transform the lives of the emerging India through our comprehensive product suite catering to different segments across India. With this, we have emerged as a one-stop-shop for the financial needs of customers across the country.

Trust is the foundation of every relationship we build with our customers and customer-centricity is the guiding principle. We are dedicated to understanding the evolving needs of individuals and businesses, providing them with solutions that are relevant, accessible and impactful. Through a combination of tailored products and personalised services, we aim to address their unique challenges, enabling them to make confident financial decisions and achieve their aspirations.

To enhance convenience and accessibility, we have embraced technology to deliver seamless experiences and simplify the customer's journey. From intuitive digital platforms to personalised support, every touchpoint is designed to make our customers feel valued and supported. Our unwavering focus on trust, transparency and care further continues to strengthen our bond. Through this holistic approach, we are not only nurturing long-lasting relationships, but also empowering communities with financial solutions that drive progress and prosperity for all.

Material issues addresed

- Customer wellbeing
- Responsible products and services

SDGs impacted

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Key risks considered

- Low customer satisfaction risk
- Brand reputation risk
- Customer service risk

We serve them through

- Innovative products
- Superior service and experience
- Customised solutions
- Competitive pricing
- Simplified processes

Key Initiatives of FY2025

We leverage an array of communication mediums and customer interaction touchpoints to facilitate smooth and effective interactions with our customers and other stakeholders.

Key Performance Indicators

Network	Customer Contact Centre	Customer App	Website
1,365	35k+	5.6 million+	~3 lakh
Branches/Offices Pan-India	No. of calls handled each month, providing support in 9 different languages	No. of downloads	No. of visitors on the Company's Website monthly

Creating Awareness, Building Trust and Driving Growth

At Mahindra Finance, campaigns are more than just promotional efforts, they reflect our commitment to connect with customers in meaningful ways by providing relevant information and financial solutions. By designing holistic and impactful outreach initiatives, we aim to create awareness, engage and empower our customers across diverse segments. Recognising the evolving needs of emerging India, our campaigns leverage multi-channel and multilingual strategies to ensure maximum reach and impact.

Some of our noteworthy campaigns in FY2025

Comprehensive campaigns promoting our finance offerings for Mahindra Thar ROXX

Campaigns for Born Electric Vehicles BE 6 and XEV 9E, in collaboration with Mahindra Automotive

Through a thoughtful blend of digital and physical marketing interventions, the campaigns created excitement and amplified awareness amongst prospective customers. These efforts not only promoted our offerings, but also fostered deeper engagement.

Redefining Convenience and Service Delivery

Mahindra Finance Customer App

In line with our focus to enhance customer experience and enable customers to access services with ease, we launched the new Mahindra Finance Customer App, designed with the needs of emerging India in mind.

The App's simplistic and intuitive user interface and design ensures a smooth and seamless experience, enabling customers to manage their finances with ease.

Prime features available in the App

- Available in 12 languages
- Features an AI-powered chatbot
- Offers a range of services and features

Engaging with our Customers

Making meaningful interactions - From Branches to Screens

At Mahindra Finance, we are focussed on meaningful interactions with customers through various digital and physical touchpoints, whether it is engaging with them through touchpoints like our social media handles, website, branches or events.

Social Media

Our social media handles played an integral role, providing timely updates about our products, offers and various other initiatives. In addition to this, we also focussed on customer education, sharing knowledge and resources related to managing finances and protecting from online frauds and scams. It also helped us gauge customer sentiment and understand issues, thus enabling us to provide swift resolutions to increase customer satisfaction.

Website

Our website is another key digital touchpoint that is available in 11 languages. In FY2025, our website had ~3 lakh visitors per month. Designed for user-friendliness, the website created awareness about the organisation and simplified processes such as applying for loans, choosing investment avenues and accessing important information.

Physical Network

Our offline network spans 1,365 offices and branches across India, where our teams were provided with relevant collaterals and materials needed to promote offerings and assist customers effectively. Our network of smart branches and professionals present at vehicle dealerships further enhanced accessibility and convenience for customers and enabled us to respond swiftly and be more agile.

Events

We also participated in major events such as the Gwalior Trade Fair and IMTEX, showcasing our diverse financial solutions. These exhibitions allowed us to engage directly with customers, understand their needs and promote solutions designed to meet their aspirations.

Strategic Partnerships - To Meet Evolving Customer Needs

In order to effectively cater to the evolving financial needs of our customers, offer new products, provide a wider choice and enable better access, we continue to form strategic alliances and partnerships.

- Through our collaborations with multiple insurance providers and our co-lending as well as co-origination partnerships with multiple Banks and Fintech companies, we were able to create more choice for our customers and were also able to cater to more customer segments
- Through our partnership with CSC E-Governance Services India Limited, we enabled better access to our products by boosting our network and reaching closer to customers. In FY2025, this partnership facilitated disbursement of vehicle loans across 24 states, supported by co-branding, training of Village Level Entrepreneurs (VLEs) and customer outreach efforts.

Through all these collaborations and other initiatives, we reinforced our commitment to serving multiple financial needs of our customers throughout their financial journey.

Assessing Impact on Customer Experience

Real-Time Net Promoter Score

The Real-Time Net Promoter Score (RNPS) Survey reflects Mahindra Finance's commitment to enhancing customer experience and building trust-based, long-lasting relationships. Designed to measure customer advocacy, the survey was conducted at critical stages of the loan lifecycle, gathering valuable feedback to identify opportunities for service improvement. To ensure inclusivity and accessibility, the survey allowed customers to respond in their preferred language, thus encouraging higher participation.

The survey insights were used to develop actionable plans to drive improvements in service quality and customer satisfaction. This initiative highlights Mahindra Finance's focus on understanding customer feedback and delivering better experiences.

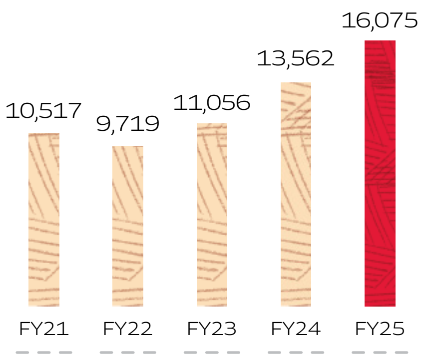
Key Performance Indicators

STABLE GROWTH AND ROBUST FUNDAMENTALS

We delivered enhanced profitability on back of stable asset quality and reduced credit costs. We value the interests of our investors and shareholders, ensuring consistent and sustainable returns. Powered by our strong lineage, solid parentage and pan-India presence, we are well-poised to deliver on our aspirations to serve the Emerging India.

Our Financial Metrics

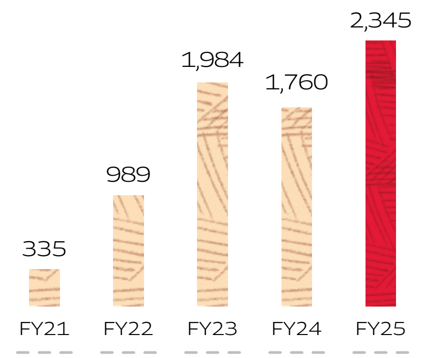
Total Income (₹ in crore)



11% 4-year CAGR

18.5% Y-o-Y growth

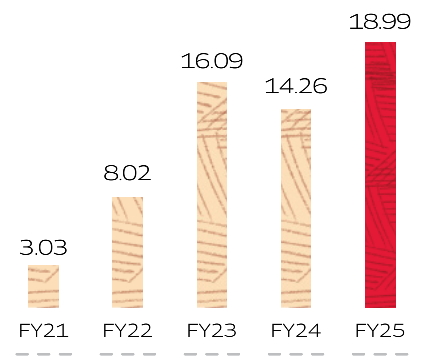
Profit After Tax (₹ in crore)



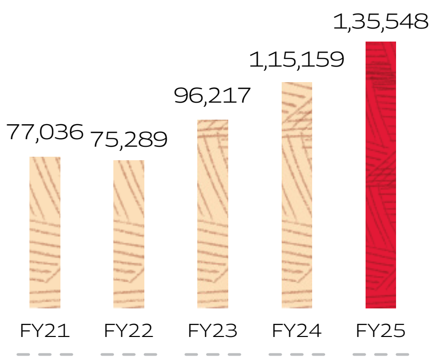
63% 4-year CAGR

33.2% Y-o-Y growth

Earnings Per Share (Basic) (₹)



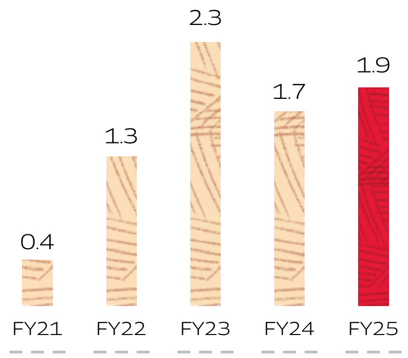
Total Assets (₹ in crore)



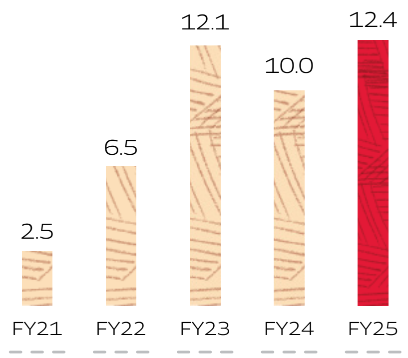
15% 4-year CAGR

17.7% Y-o-Y growth

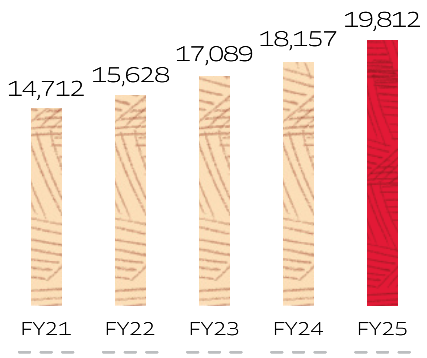
Return on Assets (RoA) (%)



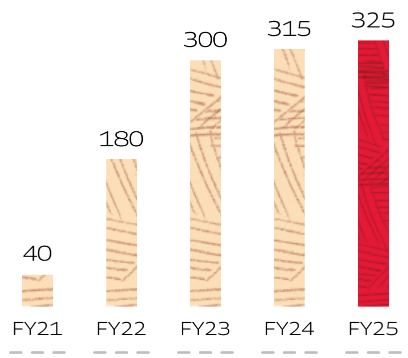
Return on Net Worth (RoNW) (%)



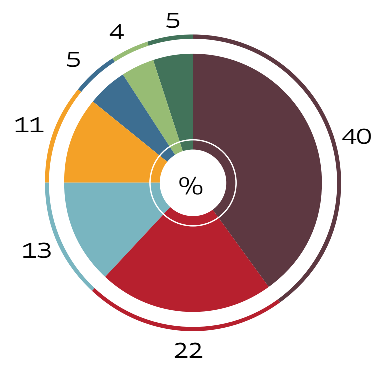
Net Worth (₹ in crore)



Dividend (%)



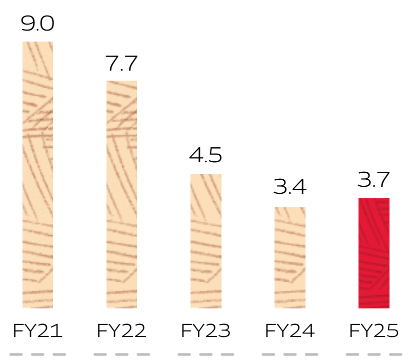
Breakdown of Asset Book (%)



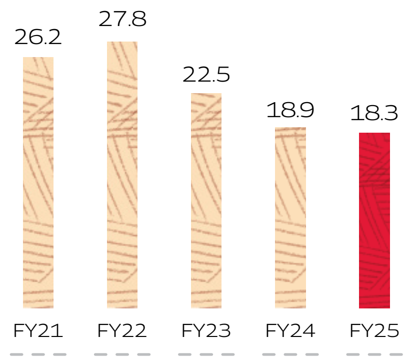
- Cars/Passenger Vehicles
- Commercial Vehicles and Construction Equipment
- Pre-owned Vehicles
- Tractors
- SME
- Auto/3-Wheelers
- Others*

*Others include Trade Advances, Personal and Consumer Loans, Finance Lease Receivables, Implements etc.

Gross Stage 3 (%)



Capital Adequacy (%)



Our Strategic Blueprint

DRIVING SUSTAINABLE AND PROFITABLE GROWTH

To drive sustainable growth and resilience in a dynamic environment, our strategic focus is anchored on stabilising asset quality, recharging growth and strengthening our operational excellence. We are committed to building a future-ready organisation by investing in human capital development and fostering a culture of compliance and governance. We are leveraging cutting-edge technology and digital innovation to streamline our processes, improve customer experience, and ensuring agility in our operations. This integrated approach positions us well to navigate the emerging challenges and to seize new opportunities.

Our Strategic Priorities

Our growth model for creating value is based on five key strategic pillars:

STABILISE ASSET QUALITY

In FY2025, we undertook a series of focussed and structured initiatives to reinforce the quality of our asset portfolio. These efforts were central to ensuring sustainability and resilience of the lending book in the face of continued macro-economic challenges and shifting customer repayment behaviours in rural and semi-urban India.

Key initiatives adopted to stabilise our asset quality

Strengthened on-ground collection infrastructure

Product-focussed collections approach in the field, supported with tech-enabled interventions, call centre and digital collections.

Credit and risk policy

Continued to strengthen credit underwriting norms in line with trends observed on products, customers and geographies.

Scorecard-based underwriting

Customised internal scorecards for faster and informed decision-making with inputs from third-party APIs and databases. Application scorecards are live across major product lines, through API invoked at the underwriting stage.

Analytics and AI interventions

These interventions drive collections efficiency through AI deployments across prioritisation and allocation treatments.

Outcomes

- Portfolio vintage quality strengthened, with new originations demonstrating healthy early bucket performance
- Collection Efficiency stood at 95%, driven by a mix of digital and physical efforts
- Maintained GS-3 at 3.7% in FY2025, within defined targets
- Lower write-offs, reflecting improved customer connect and asset recovery strategies, resulting in overall lower credit cost at 1.3% in FY2025

Way Forward

- **Policy:** Strengthen all product risk guardrails and robust customers selections processes
- **Underwriting:** Utilise AI templates and APIs for underwriting, surrogate and enhance policies on pre-approved pre-qualified (PAPQ) offers
- **Collections:** Increase digital collections and eNACH penetration
- **Robust Risk Monitoring:** To enhance GS3 tracking and fraud detection through sampling scorecards. Improve post disbursal document (PDD) collections through enhanced controls.

Capitals impacted

Financial Capital

RECHARGE GROWTH

Key initiatives taken to recharge growth

Product diversification and ecosystem expansion

Growing disbursements in SME financing, and leasing business to diversify asset portfolio. Partnered with aggregator platforms to broaden asset class offerings.

Wheels leadership

Strengthened tractor financing and farm implements. Focussed on premium passenger vehicles with leasing as a key offering. Strengthening dealer relationships through key account management initiative targeted for high-potential dealers.

Partnerships - Fee income and co-lending

Insurance Distribution: Expanded attachment products such as life (Mahindra Loan Suraksha-MLS), health (Mahindra Arogya Suraksha-MAS) and motor insurance. Leveraged branch and field operations to drive cross-sell opportunities. Co-Lending and Co-Origination: Strengthened partnerships with major banks like SBI and BoB to co-lend and co-originate loans for prime segments.

Customer-centric initiatives

Launched top-up loans and faster repeat loan journeys through Pre-approved Pre-qualified (PAPQ) programme for our existing customers.

Outcomes

- Achieved 17% AUM growth
- Non-vehicle disbursements increased to 7% of total disbursement; SME disbursals grew by 48% y-o-y
- Onboarded ~10 insurance partners, driving non-lending income growth through improved cross-selling capabilities

Way Forward

- **Wheels:** Continue reinforcing leadership in key segments such as tractors, passenger vehicles, and EVs, while driving growth in used vehicles through strategic partnerships, leasing solutions, and increased market outreach.
- **SMEs:** Scale our presence in micro and small enterprises, targeting an increase in the contribution of SME business in our loan book.
- **Mortgages:** Expand affordable housing and prime mortgages. Leverage technology for operational efficiency and risk mitigation.
- **Fee Income and Partnerships:** Strengthen insurance distribution, expand digital cross-sell platforms, and enhance co-lending and co-origination partnerships with major banks.

Capitals impacted

Financial Capital

Manufactured Capital

STRENGTHEN OPERATIONS

Automation, digitisation and analytics have helped us enhance our operational efficiency and drive business growth. We bolstered our collection efforts at the branches and in the field through our wide-ranging digital payment options and seamless integration with partner networks.

Key initiatives undertaken to strengthen operations

Digital origination platforms

- Phygital Loan Journeys: Expanded the roll-out of hybrid loan journeys through platforms like M-Tezz and One App, enabling a seamless combination of physical and digital customer interactions for faster loan processing
- Dealer and Channel Platforms: Enhanced platforms to support dealers and channels with faster, paperless onboarding, reducing turnaround times and improving partner satisfaction

Lead management and branch operations

- Implemented lead management modules for end-to-end visibility and real-time tracking by dealers, executives, and supervisors
- Launched M-Tezz App for seamless customer onboarding, reducing manual errors and processing time
- Redesigned branch structure to focus on customer-centricity, cross-selling, and revenue generation
- Deployed Collections App across locations to drive digital collections

Centralised Processing Centres and customer solutions

- Activated Centralised Processing Centres (CPCs) across all branches with upgraded capabilities
- Streamlined online applications, FD renewals, and loans against FDs through an integrated web portal

Outcomes

- OpEx declined from **2.8% to 2.7%** in FY2025
- Centralised Processing Centre (CPC) made live for all-India branches
- **77%** Digital collection

Way Forward

- **Advanced AI Integration:** Deploy next-gen AI/ML models to further optimise underwriting and collections processes.
- **Customer-Centric Innovation:** Expand the capabilities of M-Tezz and Customer App for personalised financial solutions.
- **Scalability and Resilience:** Strengthen CPC infrastructure and branch operations to support growing customer demand while maintaining operational efficiency.

Capitals impacted

Financial Capital

Intellectual Capital

Human Capital

GRC

Key initiatives taken under GRC

Strengthening Governance, Risk and Compliance (GRC)

- Established a centralised Risk Containment Unit (RCU) to identify, investigate, and mitigate fraudulent activities
- Leveraged advanced analytics and cross-functional collaboration to safeguard asset quality and enhance process integrity

Standardised Risk Assessment Methodologies

- Standardisation through Risk Control Self Assessments, Process & Product Approval Committees, and more
- Strengthened Key Risk Monitoring and resilience exercises to address vulnerabilities

Governance Framework Enhancement

- Strengthened governance by integrating risk ownership and accountability across all organisational levels

Outcomes

Implementation of Proactive Risk management techniques and enhanced risk posture in the organisation

Way Forward

- **Integrated GRC Framework:** Centralise governance, risk and compliance processes using advanced tools and real-time insights to enhance decision-making and operational efficiency.
- **Strengthen Resilience and Fraud Prevention:** Expand fraud detection capabilities, conduct regular risk simulations, and implement adaptive strategies to address emerging threats and ensure business continuity.
- **Continuous Improvement and Regulatory Alignment:** Focus on upskilling employees, adopting best practices, and maintaining alignment with evolving regulatory requirements to uphold governance excellence.

Capitals impacted

Financial Capital

Intellectual Capital

Human Capital

UPGRADE HUMAN CAPITAL

Key initiatives taken to upgrade human capital

Strengthening Leadership and attracting Top Talent

Reinforced key portfolios through senior leaders, while also building a strong pipeline across levels.

Focussed Upskilling Programs

Tailored frameworks in functional, managerial, digital, and leadership capabilities, including high-potential programs for leadership development across levels.

Digital Transformation

Introduced structured programs to foster a digital-first mindset, engaging employees across levels.

Employee Engagement

Fostering engagement through recognition, promoting health & wellness, joint celebrations to build camaraderie and strengthening the inclusive culture.

Employee Efficiency

Enabling employees on contemporary ways of working through focussed learning interventions for digitised processes, Retail Branch and CPC implementation.

Outcomes

Leadership Growth
~48% of transformational leadership program participants transitioned to larger or new roles, creating a strong leadership pipeline.

Enhanced Engagement
Over 25,000 employees actively engaged in recognition programs, fostering a culture of appreciation and collaboration.

Operational Excellence
Training initiatives led to measurable improvements in Customer Satisfaction Scores (CSAT) and streamlined service delivery through CPC and CFC systems.

Way Forward

- **Future-Ready Workforce:** Continuous training and upskilling initiatives to enhance organisational capabilities and ensure a talent pipeline prepared for evolving business needs.
- **Stronger Digital Capabilities:** Developing a workforce which gives digital-first solutions.
- **Foster Employee Engagement and Growth:** Fast-track career growth for frontline employees and reinforce leadership alignment to improve retention and employee satisfaction.

Capitals impacted

Social and Relationship Capital

Human Capital

Financial Capital

Technology and Digital

OUR PLATFORM OF DIGITAL EXCELLENCE

At Mahindra Finance, we are keen to accelerate the delivery of our digital financial solutions to better serve our customers. By creating a digital ecosystem and embracing innovation, we intend to broaden our outreach and deepen our engagement with customers, and enhance their experience by solidifying our status as a leader in promoting inclusive growth throughout India.

Our technology strategy is interwoven with our business strategy and centres around process efficiency, infrastructure reliability and innovation. Our digital collections app and the redesigned Customer App empowers our customers with convenient repayment options, seamless loan management and personalised solutions.

We are fortifying Mahindra Finance's future through the implementation of AI-driven tools, sophisticated analytics, and enhanced cloud infrastructure, thereby improving collections, decision-making processes, scalability, and data security.

Transforming with Digital and AI-Driven Innovations

UDAAN

Udaan is Mahindra Finance's tech-driven transformation, enhancing employee and customer experiences. This plug-and-play platform optimises the lending process and strengthens our tech architecture for future growth. By harnessing our digital platforms, fostering ecosystem partnerships, and leveraging the capabilities of our branch network, we are committed to delivering an exceptional customer experience . Our end-to-end digital loan processes, featuring automated documentation and faster credit assessments, have significantly reduced time taken for loan approvals and enhanced overall customer experience.

Our **new digital collections** application offers a 360-degree view of the customer, featuring a performance and activity dashboard, loan information, payment history, and additional functionalities. The platform provides automated reminders and multiple payment options, enabling customers to manage repayments effortlessly, while reducing operational costs.

Our employees are well-equipped to guide customers on repayments options, resolve issues, and offer tailored solutions, thereby providing seamless experience to customers and fostering financial discipline digitally.

77%
Digital collection

ALL NEW CUSTOMER APP

The all new Customer App of Mahindra Finance, redesigned with an incredibly smooth and user-friendly interface, offers our customers a convenient platform to manage loans, make repayments, and access a range of financial products.

Available in
12 Languages

4.5+ lakh
App sign-ups since launch of revamped version in Dec 2024

Ratings:
4.3 on Play Store
4.1 on App store

Highlights of Customer App

Real-time loan account access

Safe and Secure EMI payment options

4-Step paperless and quick FD creation process

On-demand, 24/7 AI-powered chatbot

Utility payments solutions

DATA ANALYTICS & AI

We are leveraging AI and advanced analytics to build dashboards which enable real-time business and customer data insights for quick decision-making, deployed AI-ML for cross-sell, collections and underwriting, and machine learning based scorecards are implemented for personal loans.

Key Initiatives and Outcomes

- The implementation of a Data Lakehouse with advanced medallion architecture, along with the development of a customer data platform with 10,000+ features, has not only enhanced resilience and scalability in AI and analytics, but has also enabled real-time insights and instant decision-making.

  Our GenAI-powered interactive query and chat interface for customers, dealers, and senior management has increased engagement and provides superior experience.
- Extensive use of advanced AI-ML algorithms is in place to generate new business, resulting in significant increase in the "Pre-Approved and Pre-Qualified" (PAPQ) offer base.
- We have strengthened our underwriting, enabled by next-gen AI/ML models for faster decision-making, streamlined straight through process and an optimised delegation strategy. Machine Learning based application scorecards are deployed for passenger vehicle (PV) loans, through API invoked at the underwriting stage. Applications with higher predicted risk are rejected / delegated to underwriters, while the ones with lower predicted risk are approved with light touch.
- We adopted an AI-driven collections strategy to predict and enable cost-effective treatment, resulting in improved collection efficiency across early and hard buckets, while minimising disposal loss. We have achieved reduction in EMI bounce rates. This has resulted in a gradual reduction in the incremental addition to Stage 3 provisions.

AI-POWERED CHATBOT

During the year, we launched a new AI-powered chatbot that offers seamless and personalised assistance to our customers. The chatbot is available in four languages and across three channels – WhatsApp, Website and the Customer app – ensuring convenience for a diverse user base across India. Since its launch, our chatbot has enhanced customer support and facilitated better engagement with them.

Available in **4** languages

35+ lakh
Messages exchanged

Technology that protects

Cloud

We have strengthened and upgraded our cloud architecture to ensure data protection and efficiency of scale. Our strategic adoption and deployment of sophisticated models led to cost efficiencies, optimised resource utilisation, and seamless, scalable digital services for our customers. The adoption of a multi-cloud agnostic strategy has enhanced resilience and provided flexibility.

Cyber Security

We have made significant strides in bolstering the organisation's cybersecurity framework to safeguard both internal and customer data. In an era where digital threats are increasingly sophisticated, we have prioritised the implementation of robust measures to ensure the integrity, confidentiality, and availability of our critical information assets.

To enhance the organisation's defences, we have deployed a suite of advanced cybersecurity tools tailored to address current and evolving risks. These tools collectively form a multi-layered shield around our digital infrastructure and processes.

Our advanced cybersecurity tools

- Data Loss Prevention (DLP) systems to prevent unauthorised data exfiltration
- Extended Detection and Response (XDR) for comprehensive threat detection and response
- Next-Generation Security Information and Event Management (SIEM) for real-time monitoring and analysis
- Web Application Firewalls (WAF) to protect our online assets
- Mobile Device Management (MDM) solutions to secure our mobile endpoints

In addition, we also established a 24/7 Security Operations Centre (SOC) dedicated to monitoring cybersecurity alerts and responding to incidents immediately and to initiate remedial measures. This ensures that potential threats are identified and mitigated swiftly, minimising any risk to our operations or data.

We also significantly improved the organisation vulnerability management process by automating scanning and remediation efforts. By leveraging industry-leading scanning and patching tools, the identification and resolution of vulnerabilities has been streamlined, which led to enhancing of our overall security posture.

To validate the effectiveness of these investments, we are conducting Red Team assessment by an external certified entity. These proactive assessments test your organisation's cyber defences under real-world conditions, ensuring that the tools and processes implemented deliver the expected resilience and protection. These enhancements reflect the organisation's unwavering commitment to safeguarding the trust placed in us by our customers, partners and our shareholders.

Technology Guardrails

- **Centralised Technology Asset Inventory**

  We have established a centralised inventory for technology assets that contains detailed information about all such assets. This inventory serves as the primary reference point for any enquiries related to technology assets.

- **Strengthening IT Service Management**

  We have enhanced various aspects of IT Service Management by improving workflows in Service Request Management, Change Management, Incident Management, and Problem Management.

- **Tech Resilience & Business Continuity**

  An immutable backup system has been implemented to create an air gap for backup data, safeguarding it against cybersecurity threats. Additionally, a full site Disaster Recovery (DR) set-up has been established to ensure resilience for all critical applications.

- **IT Risk Assessment Framework**

  We have developed and implemented a comprehensive IT Risk Assessment Framework that enables the identification, assessment, and mitigation of IT risks. This framework supports effective management of potential IT-related challenges.

- **IT Outsourcing Framework**

  Our newly developed IT Outsourcing Framework assists in identifying significant IT outsourcing vendors. A thorough assessment of each vendor has been conducted to identify necessary control measures that have since been implemented.

Value Created for Stakeholders

CREATING IMPACTFUL VALUE WITH PURPOSE

Our story reflects the collective commitment of our organisation and the stakeholders we serve. We consistently strive to create collective value for a broad range of stakeholders sustainably and inclusively, while staying anchored to our core values.

INVESTORS

Transparency, building strong relationships, and safeguarding the diverse interests of our investors is our key priority.

₹2,345 Crore
Profit After Tax

1.84%
Net Stage 3 Ratio

12.4%
ROE

18.3%
Capital Adequacy Ratio

6.5%
Net Interest Margin (NIMs)

3%
Y-o-Y growth in disbursement

Read more on value created for investors on 44

PEOPLE

We ensure a workplace that is safe, inclusive, and nurturing, and hold our employees in high regard. With substantial investments in training and development, and well-being of our employees, we actively promote their personal and professional growth.

7,000+
New employees recruited

1,200+
Branches in which Emergency Response Team members have been deployed

8,00,000+
No. of hours of training

12
Human rights topics evaluated across MMFSL portfolio, as part of aligning to UNGP

Read more on value created for people on 48

ENVIRONMENT

We remain dedicated in collaborating with our stakeholders to uphold sustainability standards and promote adoption of sustainable practices. We ensure that all our activities are conducted by creating limited impact on the environment and minimising resource use.

~20%
Reduction in absolute energy usage since FY2023

100%
Waste streams being recycled in FY2025

77,000
Saplings planted

42,500+
Electric vehicles financed

~180 MWh
Green energy purchased in FY2025

Read more on value created for environment on 55

SUPPLIERS AND VENDORS

We create value by collaborating with our supply chain partners, streamlining our processes, engendering transparency in the system and upholding their interests. We work closely with our stakeholders to ensure compliance with our rigorous sustainability standards and to promote the adoption of sustainable practices.

15.22%
Material sourced from MSME suppliers

~₹ 20,000 lakh
Purchase from MSME suppliers

60%
Major vendors engaged on human rights and safety improvement

COMMUNITIES

Our aim is to create opportunities for progress and impact lives positively through our community-focussed CSR initiatives. By providing support to social welfare programmes, we aim to create resilient communities and deliver a brighter future for all.

2,80,000+
Lives Impacted through various CSR activities

2,960+
Children awarded with scholarships

2,07,700+
Beneficiaries of Dhan Samvaad - Financial & Digital Literacy Awareness

Read more on value created for communities on 63

CUSTOMERS

Guided by our customer-centric philosophy, we are committed to being a trusted partner to our customers. We have introduced a range of innovative products designed to support our customers at various stages of their financial journey. Complementing these offerings, we implemented several key interventions, including the launch of an improved Mahindra Finance App, to enhance customer experience. Through these initiatives, and our focus on innovation, we remain committed to meeting the evolving needs of our customers.

5.6 Mn
Customer app downloads (Aug-2019 to Mar-2025)

Note: A revamped version of the customer app was launched in December 2024

Read more on forging bonds of trust through customer centricity on 26

Value Created for Investors

PERFORMANCE WITH PURPOSE

At Mahindra Finance, we aim to deliver long-term value to our investors through consistent financial performance, prudent risk management and focus on maintaining strong asset quality together by leveraging technology, enhancing operational excellence and strengthening our leadership.

Credit Rating

During FY2025, the long-term debt ratings of our Company stand reaffirmed as AAA/Stable by CRISIL, India Ratings, CARE & Brickwork Ratings. Our Company's fixed deposits continue to be rated 'AAA/Stable' by CRISIL & India Ratings. AAA ratings indicate the highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. The rating for short-term instruments stand reaffirmed at the highest rating A1+ by CRISIL & India Ratings

Material Issues addresed

Financial

- Credit ratings
- Economic performance

Financial

- Customer Wellbeing
- Risk and Control System
- Board governance

Key risks considered

- Business risk
- Market risk
- Reputation risk
- Transparency and accountability
- Sustainability performance

SDGs impacted

Today, Mahindra Finance has emerged as a complete financial solutions provider, in line with the overarching vision of being a "Leading and Responsible Financial Solutions Partner of Choice for Emerging India". Our investors support and trust our sustainable business model, keep us focussed to build our business capabilities and refine our strategies for long-term growth.

Adding Economic Value to Stakeholders

(₹ in crore)

Economic Value Generated and Distributed (EVG&D)	FY2025 (Ind-AS)	FY2024 (Ind-AS)
Economic Value Generated		
a) Revenue	16,074.69	13,562.42
Economic Value Distributed	14,532.74	12,581.18
b) Operating costs	3,092.80	3,064.82
c) Employee wages and benefits	1,903.13	1,712.63
d) Payments to providers of capital	8,676.94	7,177.72
e) Payments to government	802.23	595.85
f) Community investments	57.65	30.16
Economic Value Retained *(Calculated as economic value generated less economic value distributed)*	**1,541.95**	**981.24**

FY2025 Performance

During the year, we solidified our leadership position in financing of passenger vehicles, pre-owned vehicles, and tractors. Our disbursement of ₹ 57,900 crore was highest-ever, an increase of 3% over the previous financial year. This helped our loan book to exceed ₹ 1,19,000 crore. Revenues displayed a robust growth of 19% Y-o-Y at ₹ 16,075 crore, while Profit After Tax stood at ₹ 2,345 crore, growing by 33% Y-o-Y.

Liquidity remained strong, with a liquidity chest of over ₹10,400 crore ensuring financial flexibility. Net interest margin stood at 6.5%, while collection efficiency was stable at 95% for FY2025. The credit cost during the year was at 1.3%, underscoring prudent risk management and helping achieve our near-term ROA target range of ~1.8-2%. Our well-thought-out strategy around asset mix and effective resource allocation drove profitable growth with reduced volatility.

Our Vehicle Finance portfolio increased 16% Y-o-Y. The Company continues to expand into new categories beyond vehicle financing through a focus on SME lending, leasing (Quiklyz), insurance and mortgages. We are driving these new engines by broadening our product offering, improving technology stack, strategic partnerships, data analytics, and equipping our workforce to meet customer requirements. The non-vehicle finance portfolio grew by 30% over the previous year, further diversifying our asset base.

During the year, we embarked on multiple strategic initiatives, which led to:

- Sustainable improvement in asset quality, resulting in lower credit costs
- Better risk management by leveraging analytics/business intelligence
- Strengthened leadership position
- Realigned collection structure to a product-based model, with a continuous focus on high-risk portfolios
- 100% implementation of Centralised Processing Centre (CPC), RCU and revamping the retail branch structure
- Improvement in business volume by targeting the affluent Rural Semi-urban (RUSU) customer segment with relevant lifecycle products
- Focussed productivity improvement initiatives, resulting in cost optimisation

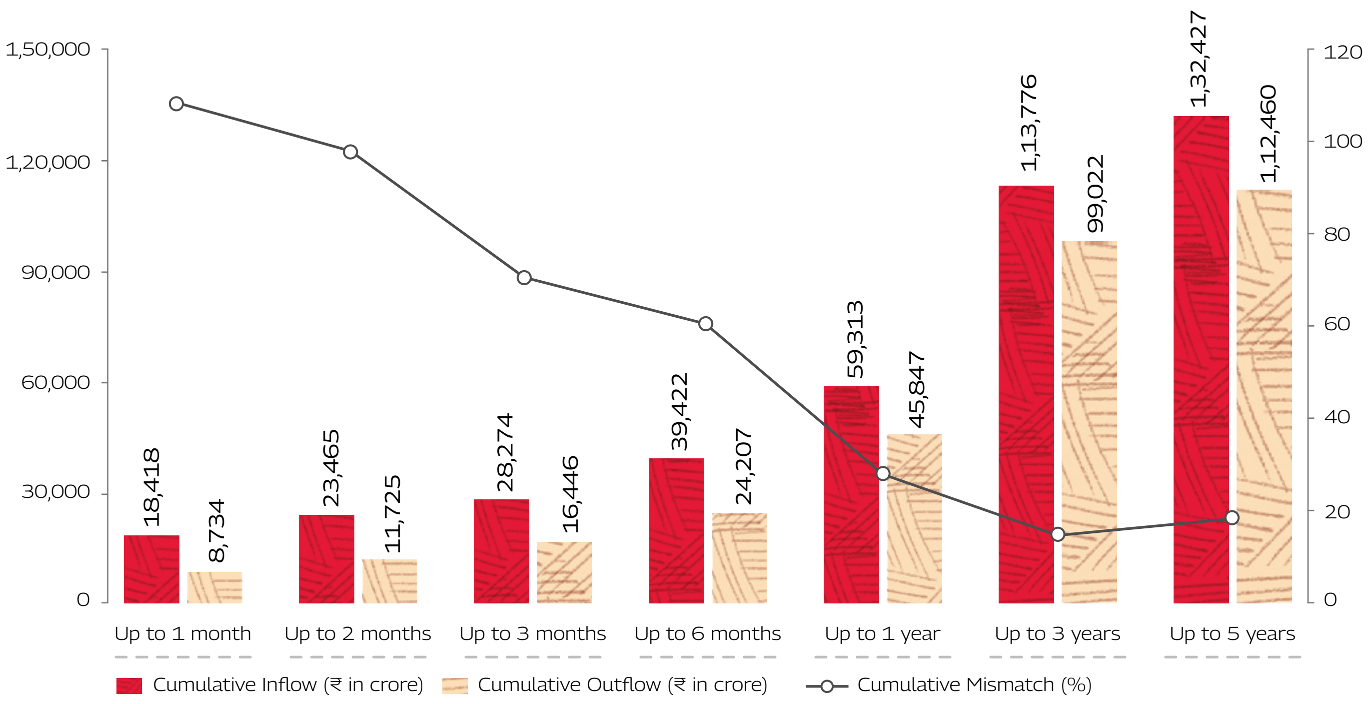
Capital Adequacy

As on 31st March 2025, our Capital to Risk Assets Ratio (CRAR) stood at an impressive 18.3%, well above the minimum requirement of 15% set by the RBI. The Tier-I capital adequacy ratio was recorded at 15.2%, indicating the strength of our core capital, while the Tier-II capital adequacy ratio stood at 3.1%. These robust capital adequacy ratios highlight our solid financial position and adherence to regulatory guidelines.

Asset Liability Management (ALM)

Our resilient business model has successfully stood the test of time, strengthened by decades of expertise and strategic insights. We have strategically chosen the semi-urban and rural geography as our primary area of focus. Over the years, we have retained consistent focus on our core business of lending, maintaining a stable liquidity profile, well-diversified funding mix, and a robust balance sheet. These strengths have empowered us to deliver sustained returns, navigate periods of uncertainty, and foster renewed stakeholder confidence. Furthermore, our lending practices are underpinned by strict adherence to prudent Loan-to-Value (LTV) ratios, ensuring responsible and sustainable growth.

ALM Position and Liability Maturity



Reducing volatility and ensuring stable asset quality

To enhance our collection efficiency, we established dedicated collection war rooms, tailored distinct collection strategies for various customer segments, and implemented stringent arbitration measures for managing bad debts and delinquent loan pools. Additionally, we have leveraged advanced analytics to identify early warning indicators for loans at risk of becoming Non-Performing Assets (NPAs). This proactive approach enables us to initiate timely corrective actions, thereby mitigating risks and preventing loans from transitioning into NPAs.

Levers that ensure GS-3 is retained on a sustainable basis

Strategic Customer Selection

We prioritise sourcing business from customer segments that align with defined risk guardrails, ensuring a balanced risk-return profile.

Enhanced Underwriting

By continually strengthening our underwriting capabilities, we maintain rigorous evaluation standards to mitigate potential risks effectively.

Exemplary Collection Practices

Our commitment to best-in-class collection methodologies ensures timely recoveries, fostering financial stability and operational excellence.standards to mitigate potential risks effectively.

Stable asset quality

	FY2024	Q1-FY2025	Q2-FY2025	Q3-FY2025	Q4-FY2025
GS-3 Ratio	3.4%	3.6%	3.8%	3.9%	3.7%
NS-3 Ratio	1.3%	1.5%	1.6%	2.0%	1.8%
GS-2	5.0%	6.1%	6.4%	6.3%	5.4%

Key Initiatives

Ensuring long-term value

As we advance our journey, we are continuously tapping the growing markets to maintain our high-quality loan portfolio through comprehensive risk assessment procedures and diligent risk monitoring to ensure value creation for our investors and shareholders. We also understand the importance of corporate governance in retaining and enhancing our investors' trust.

As part of our good governance practices, we maintain a strong commitment towards our shareholders, frequently engage with them and fulfil our commitment to enhancing transparency at all levels. We maintain a long-term relationship approach with our investors, which also helps us in fund raising.

Ensuring stable asset quality

With a continued focus on maintaining underwriting standards and addressing early-stage delinquencies, asset quality remained steady. We made substantial strides in improving asset quality, a key focus area of our transformation strategy. GS3, which was a concern in the past, has been brought down under 4% (for six consecutive quarters), reflecting the effectiveness of our improved risk management practices, better credit monitoring systems and a more streamlined collection process.

Value Created for Our People

EMPOWERING TODAY. INSPIRING TOMORROW.

At Mahindra Finance, creating an empowering and inclusive culture for our employees is at the heart of everything we do. Our core values centres on building future-ready workforce through continuous learning and development and skill enhancement.

Since our founding in 1991, we have been driven by the belief that purpose fuels business. As part of a Group which places unrelenting commitment to its values and is known for its moral compass, we foster a more inclusive workplace for our employees, and every employee is a set example of our organisation's culture.

Our enduring spirit and values continue to drive our people strategies designed to deliver unparalleled employee experience by providing diverse learning pathways, meaningful career growth, and a compelling employer brand.

Key Performance Indicators

25,261
No. of Employees

31.77
Average training hours per employee

8,00,000+
Total hours of L&D Training (Including Males and Female employees)

Material Issues addresed

- Human Capital
- Diversity, Equity & Inclusion Initiatives

Key risks considered

- Talent retention
- Pay parity
- Contemporary skills

SDGs impacted

Diversity, equity & inclusion

We foster a workplace where every voice is heard, every individual is valued, and every opportunity is accessible. By embracing diverse perspectives and creating equitable pathways for growth, we empower our people to contribute their unique strengths - so we can grow and succeed together.

Diversity

Strengthening Workforce Representation and Opportunities

Diversity is at the core of our efforts. Our initiatives focus on increasing representation, women being our key focus for this year.

Prarambh Program: Is an industry-first initiative, Mahindra Finance entered into a strategic partnership to offer specialised business training to women from Tier 3 & 4 cities. This program equips women with the skills needed to begin their careers in frontline roles.

Goal: To create pathways for women, especially in rural & semi-urban areas and bridge the gender gap in financial services.

Impact: Over 150 women have been hired as Business & Collection Executives, with plans to scale up the initiative further in the future.

Recruitment Drives and Walk-Ins: Focussed 'women-exclusive' walk-in recruitment drives were organised across 50+ locations to bring in diverse talent.

June 2024

500+ candidates participated in the women-exclusive walk-in drive for the role of Business & Collection Executive

September 2024

200 walk-ins resulted in 48 shortlisted candidates for women-exclusive walk-in drive for the retail branch structure

SOAR - A second Career Program: This initiative supports women professionals seeking to return to work after a career break. Mahindra Finance helps them transition back into impactful roles by providing them with tailored opportunities.

Cross-Sectoral Learnings: We benchmarked our diversity efforts against leading organisations across BFSI, IT, logistics, and renewable energy sectors, adopting best practices to further enhance workforce diversity.

Equity

Building Fair Policies and Practices

Equity is the foundation for creating a workplace where everyone has access to opportunities and resources tailored to their unique needs.

Enhanced Policies for Women

- **Maternity Transition Support:** We undertake comprehensive measures to support women returning from maternity leave. This year, we extended the transition support for two additional years.
- **IVF Reimbursement:** This is an initiative to address health and family planning needs.
- **Menstrual Wellness:** We provide menstrual wellness support to women, both in field and HO roles, wherein they can work from home without any prior approval.
- **Medical Exigency:** A guideline has been provided to employees in caregiving roles for immediate family members.
- **Leadership Accountability:** Programs such as "Leading as an Ally" focus on equipping leaders to recognise inequities and implement systemic changes.
- **Nanny/Creche Policy:** This policy supports the working parents, by providing an allowance to women employees and single fathers to opt for a creche or nanny facility for their children.

Inclusion

Fostering Belongingness and Empowerment

At Mahindra Finance, inclusion is about creating an environment where every individual feels valued, respected, and empowered to contribute their best.

Workshops and Awareness Programs

Beat the Bias: Multiple sessions were organised to help employees identify and address unconscious biases.

Virtual Drama Delight: Leveraging storytelling and interactive methods, this workshop engaged over 500 employees, encouraging reflection on personal and organisational biases.

D&I Essentials for HR Team: The D&I Essentials program empowered HR professionals to address unconscious biases, implement equitable practices, and foster an inclusive work environment. The sessions provided actionable insights on legal perspectives, bias mitigation, and leadership accountability, ensuring that the HR team leads by example in driving meaningful change within the Company.

Mahindra Finance World of Women (MWoW)

The Mahindra Finance World of Women (MWoW) is an Employee Resource Group (ERG) for women that has made significant strides in fostering inclusivity and empowerment within the Company. In the year under review, MWoW established 7 ERGs circle-wise across the country, ensuring localised representation and addressing region-specific challenges. Each ERG is supported by D&I Council members who serve as Executive Sponsors providing strategic guidance and leadership.

Key initiatives driven by the ERGs during FY2025

Hyper-Local Issue Prioritisation:
The ERGs identified and addressed region-specific challenges faced by women employees, and created actionable solutions tailored to local contexts.

Engagement Events
Impactful events such as including awareness sessions were organised, promoting physical wellness and practical dietary strategies for the working professionals.

Policy Awareness and Sensitisation Sessions
Policy awareness and sensitisation sessions were organised across multiple locations to educate women employees on progressive women support policies at Mahindra Finance. These sessions fostered understanding, accessibility, and equitable utilisation of benefits, empowering employees to make informed decisions.

Women's Day Celebrations
A week-long celebration included a series of activities and knowledge-sharing sessions focussed on holistic wellness - physical, mental and financial. These events engaged employees across levels and roles, thus strengthening connections and fostering personal and professional growth.

Spectrum 2024 - Inclusion Week

A week-long celebration of diversity and inclusion featuring experiential workshops, contents, recognition of Inclusion Champions, allyship style discovery assessment, and peer appreciation.

Branding: Amplifying DEIB Commitments Internally and Externally

Branding plays a pivotal role in communicating our DEIB (Diversity, Equity, Inclusion & Belonging) values to employees, stakeholders, and the broader community.

Internal DEIB Branding

Inclusion Champions: Over 5,000 employees actively participated in DEIB initiatives during Spectrum Week, fostering organisational alignment.

Recognition Programs: Activities like Connect Café and Spectrum Carnival celebrated inclusion champions, amplifying their contributions.

External Recognition

Awards: Mahindra Finance was recognised with the Mahindra Group's prestigious Rise Award for DEI efforts and impact.

Social Media Forums: We have participated in impactful dialogues in the space of inclusion & equity, positioning ourself' as a thought leader in the DEIB space. This included Interviews of the CHRO with Business Today, Economic Times, Times of India, Participation in Conferences like - Avtar Segue Session, Aon DEI Collective Launch, Unstop Talent Meet - Cracking the Code for Gen Z.

Learning and Development

At Mahindra Finance, the employee development framework rests on four key pillars and partners an employee's development in present and future roles.

Functional and Domain Capabilities
Development interventions focus on strengthening capabilities to excel in the current roles. These include programs that focus on solidifying Sales & Collections capability, regulatory and compliance training, and customer experience and centricity.

Managerial Capability
The people management learning framework spans the entire life cycle of a People Manager, including those employees who are at the threshold of moving into people management roles. These interventions focus on various aspects of people management, including more contemporary themes of inclusion and equity.

Digital Capability
We have created a structured framework to build a digital mindset and dexterity. These interventions offer a unique blend of in-person and self-paced programs at increasing levels of complexity and depth.

High Potential Leadership Development
This is focussed on building leadership capabilities amongst the employees that are identified as "high potential". This framework focusses on building capabilities that will be relevant and significant in the future of the business, while creating a strong talent pipeline across levels alongside.

Managerial capability development

The Managerial Capability Development focusses on programs designed to strengthen or build people management capabilities. The program has been conceptualised keeping both first time managers and seasoned leaders into consideration.

Digital Mindset and Dexterity

The program was designed to equip leaders with the right mindset and strategies to guide the organisation's digital journey. It focussed on fostering empathetic problem-solving, leveraging data and technology, and developing actionable plans to drive a digital-first future.

144
participants across mid-to-senior management attended the program

12,000+
junior management covered through self-learning modules in Digital Mindset and Dexterity

Functional capability development

The Retail Branch Learning Program

The learning journey is designed to equip retail branch teams with essential skills and mindset needed to improve operational efficiency, manage customer relationships effectively, and develop sales capabilities. These retail branch teams comprise of employees who have moved into this role for the first time.

2,500+
participants trained in Role Clarity session, Customer First Training and Cross-Sell Training

Positive change in Customer Satisfaction Score (CSAT)

Elevate: Sales Productivity Programs for Car Loans and Commercial Vehicles

These productivity programs focus on building sales management capability in order to drive higher team productivity. The programs aimed at building skills on sales funnel management, with activities to help convert leads and how to review sales performance. The targeted interventions showcased a positive impact on productivity.

SME & Leasing

The program is designed to equip the SME & Leasing team with the requisite knowledge and skills on Lending Fundamentals and stakeholder management.

EV Training

An exclusive Electric Vehicle Training Program was developed for EV Champions, including Smart Branch Managers, Management Trainees, and Business Executives in the Auto Division vertical. This program aims at empowering the team to drive EV financing at dealerships. The training focusses on disseminating information on key product benefits, exclusive EV finance options, and ways to manage high net worth individuals (HNIs) for the new iconic vehicles - the BE 6 and XEV 9e.

HR Capability Program

The HR Capability Building Program is aimed to equip HR professionals with the essential skills and knowledge to effectively attract, engage and retain talent. The program also trains in leveraging HR analytics and emotional intelligence to drive organisational success in a dynamic workplace.

L&OD Catalyst Program

The L&OD program is aimed to equip the Learning & Development (L&D) team with essential skills to effectively engage with stakeholders, identify training needs, create impactful content using instructional design (ID) principles, and deliver high-quality learning and development programs.

Talent management

Mahindra Finance's talent management framework is a structured approach aimed at cultivating leadership across levels. Designed as a pyramid, it features progressive leadership development programs aligned with organisational grades to ensure a steady pipeline of capable leaders ready to take on challenges and driving growth.

The framework emphasises three key leadership pillars: Managing Self, Managing Others, and Managing Business, with each program tailored to specific employee cohorts.

These hi-potential programs are spread across 9-12 months to ensure sustained learning. They combine a mix of learning methodologies such as workshops, business immersions, social immersions and speaker sessions to enable holistic learning and application ability.

Participation in these programs follow a rigorous eligibility criteria and selection process to ensure that high potential is clearly identified and further invested in.

At the base of the pyramid is the program for our employees identified as high potential in managerial band and moves up progressively to the program for employees in the Executive band.

To ensure practical application of learning, the programs integrate:

1. **Leadership Mentoring:** Senior leaders mentor participants to guide implementation of learnings and share perspectives.
2. **Mid Journey Review:** Regular reviews with senior leaders provide participants with opportunities to share progress and reinforce accountability.

This structured and scalable framework ensures sustained leadership growth, aligning individual development with organisational success.

Result

All programs have consistently received a feedback score of 3.8 on a 4-point scale

48% of employees in the program for mid-management moved into larger or new roles

Employee engagement

Rewards and Recognition

By fostering an environment where contributions are valued and recognised, Mahindra Finance is reinforcing the tenets for sustained organisational success.

- The Company has partnered with Advantage Club, an employee engagement platform, to enhance communication and recognition throughout the organisation
- It promoted peer-to-peer recognition along with the quarterly "Rise Achiever Awards", cultivating a robust culture of appreciation among the employees
- A formal recognition program continues for employees with long tenures to further reinforce their commitment and to recognise their dedication and loyalty

These initiatives boosted their morale and strengthened employee loyalty and engagement, creating a more cohesive and motivated workforce.

25,000+
Active Users

4,400+
Instances of peer-to-peer appreciation

700+
Employees recognised through Rise Achiever Award

3,100+
Employees honoured for 'Long Service'

Joint Celebrations

Regional festivals were celebrated at all the Company branches, promoting a sense of unity and cultural appreciation. In addition, a Sports League was organised which included Badminton and Cricket competitions, and witnessed fervent participation from all employees across locations.

Health and Wellness

Mahindra Finance has collaborated with the Alyve app to enhance health and wellness initiatives. This app has seen remarkable engagement among employees, with a 67% onboarding rate. The app offers a range of services, including online consultations with specialists such as dermatologists, dieticians, general physicians, gynaecologists, and counsellors.

Additionally, it also features personalised health assessments, wellness tracking, and educational resources to empower users in making informed health decisions. The partnership with Alyve underscored the Company's commitment to fostering a healthier workplace environment.

Workforce Demographics

MMFSL	Active Employee Count (Count in Numbers)											
Workforce Level	FY2025											
Age	<30			30-50			>50			Total		Total Employees
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	
Senior Management	0	0	0	52	11	63	30	1	31	82	12	94
Middle Management	73	32	105	1,888	157	2,045	229	10	239	2,190	199	2,389
Junior Management	8,055	620	8,675	13,391	526	13,917	177	9	186	21,623	1,155	22,778
Grand Total	**8,128**	**652**	**8,780**	**15,331**	**694**	**16,025**	**436**	**20**	**456**	**23,895**	**1,366**	**25,261**

MMFSL	Employee Joining in the Reporting Year (Count in Numbers)											
Workforce Level	FY2025											
Age	<30			30-50			>50			Total		Total Employees
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	
Senior Management	0	0	0	15	5	20	5	0	5	20	5	25
Middle Management	46	21	67	320	49	369	2	0	2	368	70	438
Junior Management	3,738	426	4,164	2,270	102	2,372	1	0	1	6,009	528	6,537
Grand Total	**3,784**	**447**	**4,231**	**2,605**	**156**	**2,761**	**8**	**0**	**8**	**6,397**	**603**	**7,000**

MMFSL	Employees Leaving in the Reporting Year (Count in Numbers)											
Workforce Level	FY2025											
Age	<30			30-50			>50			Total		Total Employees
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	
Senior Management	0	0	0	11	2	13	8	0	8	19	2	21
Middle Management	14	12	26	314	34	348	29	1	30	357	47	404
Junior Management	3,749	198	3,947	3,915	89	4,004	25	0	25	7,689	287	7,976
Grand Total	**3,763**	**210**	**3,973**	**4,240**	**125**	**4,365**	**62**	**1**	**63**	**8,065**	**336**	**8,401**

FY2025	Employees who availed parental leave from 1st April 2024 to 31st March 2025	Employees who returned to work as on 31st March 2025 after availing parental leave from 1st April 2024 to 31st March 2025	Employees who did not return to work as on 31st March 2025 after availing parental leave from 1st April 2024 to 31st March 2025	Return to Work Rate
Maternity Leave	54	20	34	37.04%
Paternity Leave	568	567	1	99.82%
Total	**622**	**587**	**35**	**94.37%**

Value Created for Environment

ACTING TODAY FOR A GREENER FUTURE

Mahindra Finance has built its foundation based on the triple bottom line of People, Planet and Profit. It is now poised to build on each of the three bottom line concepts to comply with current and future regulations, align to international best practices and traverse the journey towards being sector leaders in the environmental space. The immediate focus is on building strong environmental and social (E&S) governance practices to meet diverse stakeholder expectations, integrate ESG parameters into the risk and control systems, develop a climate transition program and reduce the environmental footprint of the company.

Material Issues addresed

- Emissions and Climate Change
- Responsible Products and Services
- Human Capital
- Board Governance
- Risk and Control Systems

Key risks considered

- Brand reputation risk as a responsible organisation
- Increased risks from climate hazards
- Increased regulatory scrutiny from unsustainable use of resources

SDGs impacted

Strong E&S Governance

Mahindra Finance is committed to creating long-term value for stakeholders by integrating ESG considerations into the business strategy. ESG principles advance the sustainability agenda through publicly declared commitments, Board-approved policies and procedures that identify a path to achieving commitments and established roles and responsibilities for managerial personnel to drive the sustainability agenda.

Publicly Declared Commitments

Mahindra Finance has aligned to Mahindra Group's vision to integrate sustainability into the day-to-day management responsibilities of each employee of the group ("Make Sustainability Personal"). Mahindra Finance has also declared its commitment to reducing scope emissions (Scope 1, Scope 2 and Scope 3) by FY2032 and subscribed to United Nations Global Compact (UNGC) to ensure just transition principles of shifting to a low carbon economy while ensuring that no one is left behind.

A summary of the publicly declared commitments, status and way forward has been summarised in the table below.

Mahindra & Mahindra Vision	Performance as of FY2025	Way Forward
Make Sustainability Personal (MSP) Aim to provide sustainability training to all individuals within Mahindra Group companies to ensure there is an understanding at the individual level on how sustainability affects their day-to-day and how to integrate the same	▪ Annual training to Board members and senior management on familiarisation with sustainability topics ▪ 60% of the major value chain partners trained on E&S performance parameters ▪ Sustainability and ESG topics integrated into the induction and annual compliance modules for all employees	▪ Training senior management on ESG principles and implementation across operations ▪ Vendor assessment and training on ESG topics and MMFSL policies ▪ Extending support to department heads on specific topics related to climate change, human rights, energy efficiency and E&S governance

Mahindra Finance Commitments	Performance as of FY2025	Way Forward
Scope Emission Reduction in accordance with the Science Based Targets Initiative (SBTi) ▪ Mahindra Finance has declared a target to reduce direct emissions (Scope 1) and indirect emissions (Scope 2) by 50.4% in FY2032 when compared to baseline values established in FY2023 ▪ In the same period, Mahindra Finance has committed to reducing indirect emissions (Scope 3) by 58.1% per employee for business travel, waste generated, employee commute and purchased goods and services	Emission summary provided in "Pioneering Climate Action"	▪ Develop targeted initiatives for Scope 1 and Scope 2 reduction at high emitting assets across the Company ▪ Extension of the green tariff program to other Mahindra Finance offices ▪ Continued excellence in the Scope 3 reduction efforts with a focus on business travel and waste generated
United Nations Global Compact (UNGC) membership Mahindra Finance signed on to UNGC in FY2024 to declare its commitment to human rights and just transition	▪ Human Rights Due Diligence (HRDD) completed in FY2025 for corporate office, 3 regional offices and supply chain ▪ No major risks identified in the HRDD and suggested improvements in documentation and monitoring have been incorporated into FY2026 sustainability action plan	Implementation of the suggested improvements to documentation and monitoring of human rights topics Phase II of the HRDD focussed on 4 additional regional offices of Mahindra Finance Incorporation of human rights and just transition into training modules being developed for the MSP commitment

Pioneering Climate Action

In FY2024, Mahindra Finance marked a significant sustainability milestone by becoming the first Indian company in the 'Banks, Diverse Financials and Insurance' sector to receive validation of its science-based targets by the Science Based Targets initiative (SBTi). This achievement reaffirms our commitment to aligning with the latest climate science and supports our efforts to reduce greenhouse gas emissions and mitigate the risks of climate change.

In FY2025, the organisation observed an overall increase in Scope 1 greenhouse gas emissions (GHG) compared to the previous year. This increase is primarily attributed to enhanced data completeness and alignment of calculation methodologies with international best practices.

Scope 2 emissions were lower compared to the previous year by ~10%, confirming the success of the energy-efficient technology implemented across MMFSL offices in the previous two financial years.

Scope 3 emissions have reduced by ~50% compared to the previous year and baseline values in FY2023. The Scope 3 categories considered in the assessment include Category 1 ("Purchased Goods and Services"), Category 5 ("Waste Generated in Operations") and Category 6 ("Business Travel").

First in Sector to Achieve SBTi Validation

Emission Data Summary

Targets	Emission Type	Base Year (FY2023)	Performance (FY2024)#	Performance (FY2025)	Increase / Reduction Y-o-Y	Increase / Reduction from Base year	Target FY2032
Reduction in absolute Scope 1 and Scope 2 GHG emissions by 50.4% by FY2032 from base year of FY2023	Scope 1	3,224.87	4,650.37	5,024.86	8.05% Increase	55.82% Increase	1,599.54
	Scope 2	19,550.06	17,191.98	15,420.84	10.30% Decrease	21.11% Decrease	9,696.83
Reduction in Scope 3 GHG emissions by 58.1% per employee by FY2032 from base year of FY2023	Scope 3 [Absolute]	18,813.81	18,299.85	8,363.46	54.30% Decrease	55.55% Decrease	-
	Scope 3 [Intensity]	0.715	0.686	0.331	51.75% Decrease	53.71% Decrease	0.300

Note:
Based on updated guidelines and frameworks released in FY2025, the Company has re-evaluated the reported data for FY2024 and the updated numbers are reflected in this table.
▪ The data shared in this table showcases the performance of the Company with respect to the Science Based Targets declared in FY2023. The data is therefore combined for Mahindra Finance and its two subsidiaries - Mahindra Rural Housing and Mahindra Insurance Brokers as declared with SBTi in FY2023.

Board-approved Policies and Procedures

Mahindra Finance has defined its sustainability commitment in a Board-approved sustainability policy covering environmental footprint reduction, carbon neutrality, green lending, ESG integration into risk management protocols, good governance practices and inclusive culture. The Company is in the process of developing an ESG framework to institutionalise the sustainability policy that will focus on risk and impact identification in the loan lifecycle, stakeholder engagement, grievance redress mechanism and external communication strategies. Specific action plans related to scope emission reduction and human rights will form companion documents to the ESG framework.

Empowering Individuals for Sustainability Implementation

Recognising that sustainability cannot be isolated from the business strategy, a focus of FY2025 has been on integrating sustainability initiatives into the functioning of various departments in Mahindra Finance. Training programs have been rolled out across FY2024 and FY2025 focussed on basics of sustainability and how it affects internal stakeholders in their day-to-day operations.

Board Oversight

A Board sub-committee consisting of independent and nominee directors is convened on a regular basis to discuss ESG roadmap, regulatory compliance, key risks that need to be communicated to the Risk Management Committee (RMC) and approval of ESG policies and procedures. The Board is also responsible on directly reviewing and approving the BRSR that is submitted as part of the Integrated Report (IR) on an annual basis.

Executive Oversight

The Company has structured a standalone sustainability function in FY2025 with regular cadence meetings with key senior management professionals to drive ESG across the organisation. The senior management professionals including Chief Financial Officer (CFO) of MMFSL, Chief Strategy Officer of MMFSL, Chief Human Resource Officer (CHRO) of MMFSL, Chief Risk Officer (CRO) of MMFSL and Chief Sustainability Officer (CSO) of M&M support the implementation of emission reduction initiatives, climate risk management, ESG integration into the risk management process, green lending strategy, health and safety review, human rights implementation and sustainable investment process.

Mahindra Finance has ensured executive responsibility on sustainability initiatives through three mechanisms:

Quarterly Sustainability Council Meeting

Quarterly meetings between the sustainability heads of Mahindra & Mahindra Group Companies to discuss lessons learnt, sharing of best practices and requirements for specific interventions by the Group company.

Sustainability Business Scorecard

Annual business scorecard with specific sustainability goals to be achieved across the organisation and linked to the variable pay of all department heads and senior management.

"The Mahindra Way"

Independent assessment by Mahindra Institute of Quality (MIQ) to evaluate Mahindra Finance's performance on implementation of sustainability policies, sustainability initiatives, climate change risk management and training programs.

ESG Integration into Risk Control Measures

The Company has incorporated ESG into the Internal Capacity Adequacy Assessment Process (ICAAP) reporting process. The key focus areas for ESG integration into ICAAP is General, Environment, Social and Governance. Each risk parameter is assigned a distinct weight basis its severity and likelihood, and subsequently each parameter is rated as "Low", "Medium", or "High" based on defined thresholds. A risk profile (score) for each category can be derived basis the ratings, and accordingly mitigation actions are suggested for implementation.

General	Environment	Social	Governance
Approved ESG Policies and Frameworks in public domain	Reduction in Carbon Emissions	Community Relationship	Board Diversity and Tenure
Periodic review of policies and roadmap	Transition to clean technology	Social Responsibility	Management Remuneration
Employee Training and Development on 9 principles of BRSR	Transitional risks and mitigation process	Talent Management	External ESG Ratings
Transparency, Disclosure, and Compliance breaches		Diversity, Equity and Inclusion	

Emerging Risks

Today the organisations face an evolving threat landscape that cannot be addressed by traditional approach to risk management. The interconnectedness of risk landscape with changing times compels the organisation to re-think its approach towards risk management.

Mahindra Finance adopts a structured and forward-looking approach to identifying and managing emerging risks, ensuring strategic alignment with global insights and contextual relevance to the Indian financial services sector. The assessment of emerging risks in FY2025 was anchored in the World Economic Forum's Global Risks Report 2025, which provides a globally recognised framework for prioritising high-likelihood and high-impact risks.

As part of the emerging risk identification process:

- The WEF Global Risks Report 2025 was used as a foundational reference to evaluate top global risks across five categories: economic, environmental, technological, societal, and geopolitical
- Of the 33 risks identified in the report, the following risks have been considered as relevant for MMFSL's operations. Additionally, these risks also feature among the top risks as identified by the global respondents in the WEF Report

1. **State-Based Armed Conflict:** Violent conflict involving states or non-state actors, including wars, terrorism, and civil unrest, that lead to geopolitical instability. A likely risk in the near-term, that can have implications for MMFSL's business growth.
2. **Extreme Weather Events**: Climate-related events – such as floods, wildfires, and heatwaves – that result in human and economic losses, often intensified by climate change. A longer-term risk that could impact MMFSL's lending portfolio by way of repayment capacity of its borrowers.

These emerging risks were analysed for their potential relevance to the Company's long-term operations, resilience, and stakeholder engagement. Proactive monitoring of developments in these emerging risk areas are identified and integrated into the risk management processes and emergency response protocols. MMFSL is continually improving its integrated risk and control systems, to address these dynamic and forward-looking risks to the company operations.

Climate Change Risk Management

MMFSL has conducted climate-related risk analysis which could arise in the future and potential opportunities arising due to changing economy. Our Company has aligned its transition risks to its low-carbon strategy which includes its commitment to a 1.5°C world and reducing emission targets. Transition risks have been further identified as regulatory, technology-related, market, and reputational risks. These risks are interconnected and are often placed on top of mind for investors, as they attempt to navigate an increasingly aggressive low-carbon agenda that can create capital and operational consequences for their assets.

The Company has identified two aspects of mitigation from the modelling of climate hazards. The first is at company operations level and second is impact on the lending portfolio from climate-related hazards.

Climate Change Vulnerability Assessment

Objective	**Determine Impact on MMFSL office locations**	**Determine Impact on lending portfolio**
Scope of Work	Development of an Action plan that identifies design vulnerabilities and reviews mechanisms to safeguard MMFSL offices	Commission proof of concept to determine the impact of changing climatic condition on lending portfolio
Outcomes	▪ Stabilising Existing Structures, ▪ Shifting of offices from high risk areas ▪ Early warning systems and disaster management infrastructure ▪ Periodic audit and review mechanism	▪ Identification of climate vulnerabilities and climate hazard zones ▪ Assess the impact of climate stress on the portfolio

Asset Risk Management

The company has developed climate change mitigation plan and has incorporated it into current business processes for high-risk assets. This includes identification, planning, implementation and monitoring activities.

Risk Type	Mitigation Plan
Flood	▪ Incorporating climate risk vulnerability during sourcing of properties
Heat Waves	▪ Implementation of MitKat tool - a digital system to share early warning systems for climate hazards ▪ Implementation of periodic review and audit to assess the hazard preparedness ▪ Establishing disaster response teams and safety committees for ensuring emergency preparedness and periodic review of safety infrastructure ▪ Capex investment for physical asset proofing such as - waterproofing, asset expansion, electrical safety checks, effective drainage systems, building safety evaluations, water cooling systems, air conditioning systems, and early warning systems

Note - We have identified the Representative Concentration Pathway (RCP) 8.5 scenario for physical risk and International Energy Agency's Net Zero Emissions (IEA NZE) for transition risk. For Physical Risks, we have referenced RCP 8.5 scenario. RCP 8.5 is the high-emissions scenario, in line with the current emission trajectory and consistent with a future with no policy change happening to reduce emissions. Link to full Climate Report MMFSL-Climate-Report.pdf

Portfolio Impact Management

There is a heightened focus on non-financial performance and reporting across the companies. The introduction to Business Responsibility and Sustainability Reporting by SEBI in 2021 and draft disclosure framework by RBI have significantly strengthened the climate-related mandates. Deriving output from RBI's draft guidance on climate-related financial risks for NBFCs, the company is establishing an integrated climate-related risk framework with service across governance, risk management practice, carbon calculation across portfolio, assessing climate risk in portfolio and undertaking climate stress testing for lending portfolios.

Climate Change Opportunities

As a responsible financial institution with commitments towards sustainable investments and green lending, Mahindra Finance has identified key interventions to contribute towards climate mitigation and adaptation challenges:

Climate Mitigation

Electric Vehicle (EV) Financing: Mahindra Finance has financed 42,500+ electric vehicles in FY2025 focussed on last-mile connectivity and supporting 3-wheeler transition towards electric across the country. The program was expanded in the last quarter of FY2025 with a focus on EV 4-wheeler passenger vehicles and supporting the Mahindra Group commitments towards EV adoption.

Climate Adaptation

- Mahindra Finance has focussed on the affordable housing segment through its subsidiary, Mahindra Rural Housing Finance Limited (MRHFL), which has ₹ 4,500+ Crore Assets Under Management in FY2025. The affordable housing strategy indirectly contributes to climate adaptation by increasing the percentage of the population that have access to permanent housing and improves resilience of these communities to climate hazard events and long-term climate change risks.
- As part of its investment strategy, Mahindra Finance caters to rural and semi-urban Indian population through providing personal loans, vehicle financing, tractor financing and micro, small and medium enterprises (MSME) financing. The above solutions indirectly contribute to access to capital for lower socio-economic groups and increases chances of recovery from climate hazard events and long-term climate change risks.

Environmental Footprint Reduction

At Mahindra Finance, we remain committed to minimising our environmental footprint through responsible resource management and continuous improvement. Our approach to sustainability integrates efficient use of water, responsible waste handling, and energy conservation across operations.

Water Stewardship

The methodology for water consumption in FY2024 was updated to rely on actual water consumption data instead of a per capita thumb rule, resulting in a 95+% reduction in water usage. In FY2025, we undertook focussed initiatives to reduce freshwater consumption by a further ~18% year-on-year. These efforts include adoption of water-saving fixtures at the head office in Mumbai and awareness campaigns among employees. These steps reflect our proactive approach to preserving this critical resource.

	FY2023	FY2024	FY2025
Water Consumption (Kilolitres [KL]) for MMFSL	2,33,559.00	10,099.90	**8,301.80**
Increase (+)/ Reduction (-) in %	NA	-95.68%	**-17.80%**
Water Consumption (KL) for MMFSL + MRHFL + MIBL	-	-	**10,723.01**

Energy Saving

Higher average ambient temperatures across India in FY2025 contributed to an increasing energy demand that resulted in a rise in electricity consumption in the financial year. Several of the branch offices were equipped with air conditioning units to combat heat-related events in alignment with the climate change asset risk management plan. The trade-off of combating the risk from higher ambient temperatures resulted in a slight increase in year-on-year electricity consumption of ~3%.

	FY2023	FY2024#	FY2025
Electricity Consumption (Gigajoules [GJ]) for MMFSL	81,323.42	63,474.98	**65,279.89**
Reduction in %	NA	-21.95%	**+2.84%**
Electricity Consumption (GJ) for MMFSL + Subsidiaries	-	-	**76,373.32**

Note:
Based on updated guidelines and frameworks released in FY2025, the Company has re-evaluated the reported data for FY2024 and the updated numbers are reflected in this table

Waste Management

Our waste management practices continue to emphasise reduction, segregation, and responsible recycling and disposal. All waste generated during the year was handled in compliance with applicable regulations, with 100% of it being recycled through certified partners.
In FY2025, a marked reduction in electronic waste (e-waste) and non-hazardous waste was observed due to digital adoption and asset lifecycle optimisation respectively. The e-waste generated in FY2024 was an outlier because of a significant recycling program for stored e-waste in the corporate office. Additionally, collaborations with paper recyclers and removal of one-time plastic waste streams have contributed to a net reduction in non-hazardous waste streams in the financial year

	FY2023	FY2024	FY2025
Total Waste Generated (Metric Tonnes [MT])	77.01	78.36	**5.32**
Increase (+)/ Reduction (-) in %	NA	+1.75%	**-93.21%**
Total Waste Generated (MT) for MMFSL + MRHFL + MIBL	-	-	**11.07**

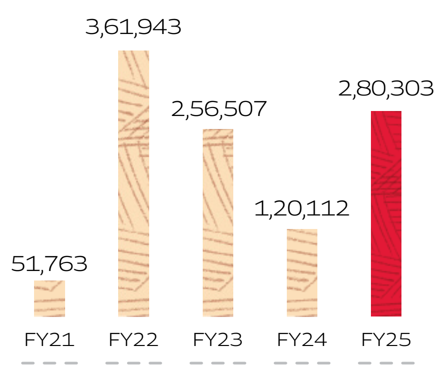
Value Created for Community

INCLUSIVE GROWTH ENDURING CHANGE

Impact beyond business led by our #TogetherWeRise ethos, we cultivate lasting bonds of trust with our communities and aim to be a valued contributor, wherever we operate. Driven by our Company's core purpose, we create meaningful opportunities in key areas of education, employment and livelihood, healthcare, rural development and community welfare, environment, helping us together pave the way for a brighter tomorrow.

At Mahindra Finance, our CSR mission aims to actively contribute to the socio-economic development of communities, enabling individuals to derive benefits from the ongoing progress. Through our CSR initiatives, we are dedicated to integrating economically, physically, and socially challenged groups into the mainstream society.

Lives Impacted



Material issues addressed

- Diversity, Equity and Inclusion
- Responsible Products and Services
- Human Capital

Key risks considered

- Women empowerment
- Livelihood and skilling
- Quality education
- Water scarcity
- Financial and digital literacy

SDGs impacted

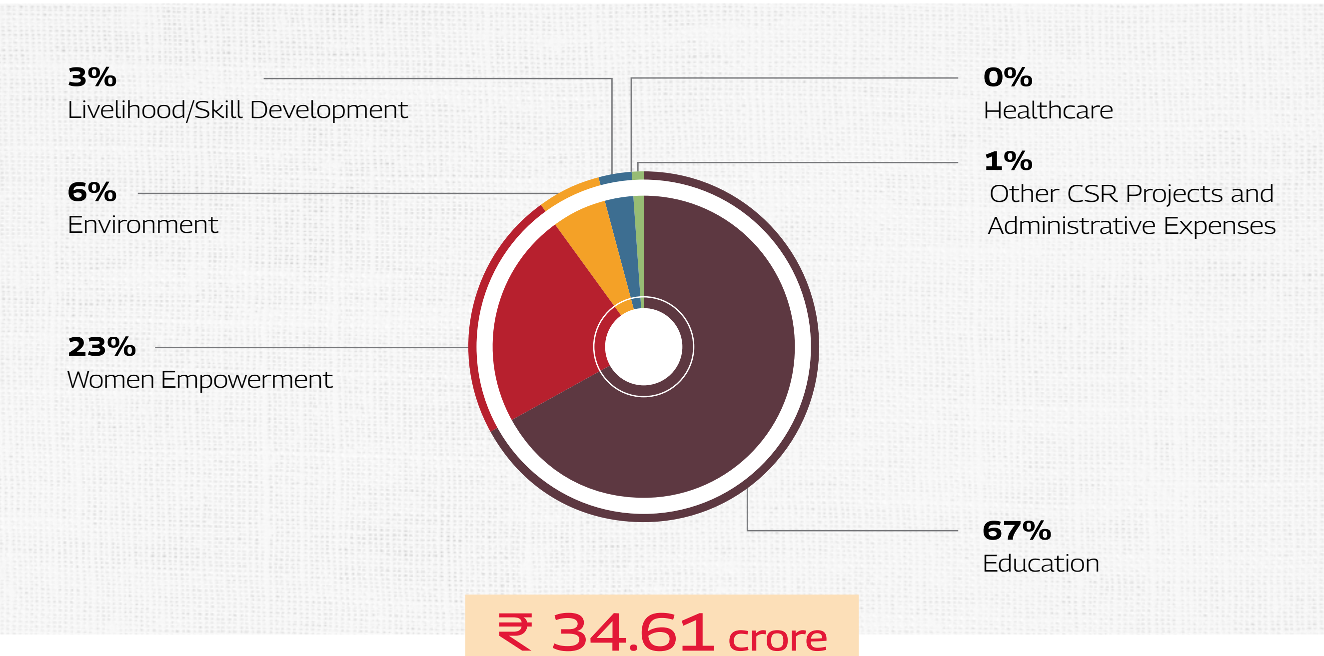
Key CSR Thrust Areas

The Company has identified CSR thrust areas for undertaking key projects which are aligned with national priorities. The CSR initiatives are geared towards promoting digital and financial inclusion, skills training and enhancing livelihoods, environmental sustainability and addressing various social issues. Through these commitments, the Company strives to contribute to social equality and build a more inclusive and vibrant society.

- **Promoting Education:** The Company aims at promoting education, among children, youth, adults and women.
- **Financial Literacy and Inclusion:** To address the financial and digital literacy gap in the society, the Company focusses on financial and digital literacy programs/projects designed to raise awareness and foster inclusion within marginalised communities.

  The program supports the gig workers and the individual entrepreneurs with practical, hands-on learning. The training workshops and personal assistance to access digital tools and government schemes have equipped participants with the skills they need to manage their finances effectively, embrace digital technologies, and navigate the complexities of the modern business world.
- **Skill Training and Livelihood Enhancement:** The skill training initiatives focus on enhancing the skills and capacities of individuals across various demographics, including children, youth, adults, women, the elderly, and PWDs from economically disadvantaged backgrounds. The goal behind this is to empower them, providing access to opportunities for sustainable livelihoods and fostering overall growth.
- **Environmental Sustainability:** Protecting environmental resources and ensuring adoption of environment-friendly practices is important to ensure sustainable and self-sustaining local economies. The Company focusses on activities ensuring environmental sustainability, tree plantation, sustainable management of natural resources and promoting sustainable technologies.
- **Other projects:** The Company identifies newer thrust areas from time to time, so far as such activities are as defined in Schedule VII of the Companies Act, 2013 as amended, from time to time.

CSR Thrust Areas and Spends



₹ 34.61 crore
Total CSR Spend

Financial & Digital Literacy our flagship program

Dhan Samvaad

The CSR flagship program 'Dhan Samvaad' envisioned to empower individuals and small businesses with the financial knowledge necessary for their sustainable development. It aimed at creating a financially and digitally empowered community, contributing to India's economic progress.

Dhan Samvaad addresses a critical need of gig workers and nano and microenterprises who lack the access to formal financial education and digital tools. By bridging this knowledge gap, the initiative fostered financial inclusion and enhanced the economic resilience of this vital segment of the workforce.

The comprehensive program covered a wide range of topics, including banking basics, savings strategies, e-wallet usage, investment fundamentals, insurance principles, and key government schemes. Through a combination of interactive workshops, online modules, and hands-on training, participants gained practical skills to manage their finances effectively in the digital era.

This program focusses on raising awareness and increasing linkages about relevant central and state level government schemes amongst the targeted beneficiaries, while also provide information and hands-on support for using digital tools such as the Digi Locker and awareness on digital frauds.

Key Highlights of FY2025

2,07,700+
Beneficiaries educated on financial and digital literacy, boosting their digital and financial skills

77,800+
Share of Women Entrepreneurs in Total Beneficiaries

1,57,000+
No. of Individuals enhancing digital identity by adopting Digi Locker

1,37,000+
Share of individuals linked with Government social security schemes (such as ABHA, PMSBY, PMJJBY, E-Shram Card, Sukanya Samriddhi Yojna, Udyam Registration, Atal Pension Yojana and others)

40+ Districts in 7 States
Coverage across diverse communities

e-Autorickshaw driving training for women

The objective of this project is to provide driving skills training to women (autorickshaw, electric autorickshaw or a utility vehicle) and help them obtain livelihood opportunities. In addition to driving training on vehicle driving, women are also supported in obtaining driving licenses. Skills on self-defence, interpersonal, financial and digital were also imparted as part of this project. Further, women were encouraged to take up jobs as chauffeurs and also engage in self-employment. In FY2025, 550+ women were trained in Madhya Pradesh, Tamil Nadu and Puducherry, and also received permanent driving licence, along with Level 4 Skill India Certificate and placement linkages.

550+
No. of women trained in e-autorickshaw driving along with driving licence, interpersonal, financial and digital skills and placement linkages

Saksham Scholarship Project

Saksham Scholarship is an initiative to provide financial assistance to the underprivileged students across India and support them in continuing their education and empowering the academic and career goals. Students studying of Classes 1 to 12, graduation, and post-graduation levels are eligible for the scholarship.

2,960+
No. of Students who received Saksham Scholarship

Employability skills training project

This project creates a cadre of workforce with essential employability skills including domain knowledge and soft skills. Skill training was provided to youth for BCBF (Business Correspondent & Business Facilitator) and iTES-BPO (Information Technology Enabled Services) to make them "job-ready" and resilient for the future and to improve their livelihoods.

210+
Candidates in Mumbai received employability skills with placement linkages to 170 + candidates

Nanhi Kali

Project 'Nanhi Kali' provides skills training to girls studying in Grades 6 to 10, helping them make a smoother transition from school to the workplace. The program aims at honing essential skills, encompassing financial literacy, digital skills, soft skills such as critical thinking and communication, and fostering an understanding of gender relations. It helps build leadership skills and teamwork, while striving for excellence through sports. It also focusses on physical education modules wherein a professionally designed sports education module (exclusively for girls) gives them an opportunity to participate in regular fitness activities and promoting well-being.

For the Academic Year 2024-25, the Company supported the education of 14,630 Nanhi Kalis from Secondary School (Class 6 to 10) across 12 districts from 5 states in India.

Mahindra Pride Classroom (MPC)

Mahindra Pride Classroom (MPC) programme works with marginalised women to create job opportunities in various sectors. The project also aims at Enabling women to become financially independent and participate actively in the workforce.

During the year, minimum 40 hours of training was conducted for 47,800+ final year female students in classrooms across government/government-aided colleges, polytechnics, industrial training institutions and employer premises to enhance their employability prospects. The modular MPC training program focusses on life, language and aptitude skills.

To facilitate students trained in MPC placed with organisations working in their core trade/domain, Job Utsav, an innovative, tech-enabled job drive is conducted. This aimed at bringing together the best employers and a great talent pool trained under the program.

47,800+
Female students trained for workplace readiness that focusses on life, language and aptitude skills

Mahindra Pride Skill Centers (MPSC)

Mahindra Pride Skill Centers (MPSC), programme is specifically designed to empower women economically, through training them in domain and employability skills in sectors like ITES, retail, hospitality BFSI and others. The programme aims to equip women with knowledge, skills and confidence needed to succeed in their careers and address the unique requirements of the job market.

1,000
women were trained under IT / ITES, retail, coding, hospitality, Tally and IT &GST

80%
of the trained women were provided support in securing a gainful employment

Environmental stewardship

Project Hariyali

To create environment focussing on sustainable development, the Company engages communities in environmental stewardship to raise awareness on climate change. Plantation of trees was encouraged to provide a green cover and a source of livelihood to farmers and the local communities. These plantation included a mix of native and fast-growing species, which enhances carbon sequestration and improve local biodiversity. This project focusses to improve ecological balance, agricultural productivity & provide economic benefits to farmers through agroforestry practices.

Planted 77,000 saplings on ~570 farmers' land from 30 villages in two districts in Gujarat

Water Conservation Project

The approach to water stewardship focusses on supporting the remote tribal areas of Murbad and Shahapur blocks in Thane district, Maharashtra to conserve and replenish water resources. Through our consistent efforts from past three years, cumulatively over 8.7 crore litres of water has been conserved, ensuring water access for households and agriculture purposes and enabling farmers to take multiple crops.

In FY2025, the project worked towards conserving 2.91 crore litres of rainwater for irrigation, ensuring water accessibility round the year for household and farming purpose, thus enabling farmers to take up 2-3 crops in a year and supporting 2,800 beneficiaries.

The Company made investment in sustainable water resource management projects.

Saved 2.45 crore litres of water in the surrounding areas, by building and repairing 3 Check Dams and desilting a Lake

Conserving 0.46 crore litres of water by constructing 11 Rainwater Harvesting Structures in Zilla Parishad schools

Project Sehat

In the area of healthcare, Nationwide blood donation drives were organised, collecting 4,279+ Blood Units.

Your Company also conducted 2 health camps, benefiting 300 individuals.

Employees Volunteering

Employees are encouraged to participate in various CSR initiatives to drive positive change amongst the community. During the reporting period, various initiatives were undertaken such as Blood Donation drives, Swachh Bharat campaigns, Samantar - our initiatives for old age homes and centres for persons with disabilities, Sehat - health care camps and Gyandeep - visits to government schools. This initiatives to re¬affirm the Company's pledge to the society.

23,250+
Employees (91%) contributed to 1,10,600 person hours

Value Creation Model

CONVERTING INPUTS TO IMPACT

Inputs

Financial Capital
Equity - ₹ **19,812 crore**
Borrowing - ₹ **1,12,873 crore**

Manufactured Capital
Number of offices/branches - **1,365**
Smart counters - **670**

Intellectual Capital
Dgital collections - **77%**
App sign-ups since launch of revamped version in Dec 2024 - **4.5+ lakhs**

Human Capital
Number of employees - **25,000+**
Average training hours per employee - **31.77**

Social and Relationship Capital
No. of employees contributed under various CSR programmes - **23,000+**
1,10,600 person hours
in initiatives like Blood Donation, Swachh Bharat, Samantar, Sehat & Gyandeep

Natural Capital
Water consumed - **8,301.80 KL**
~**93%** reduction in waste generated

Value Creation Process

Earn and pay segment for customers
Enabling livelihood creation by evaluating the earning potential of customers rather than their past financial history

Low-serviced regions
Focus on rural and semi-urban parts of India that are not covered by conventional banking services

Local employment
Hiring local people, generating employment opportunities and gaining a better understanding of markets and customers

Local suppliers
Preference given to local suppliers, thereby providing business opportunities and improving their service level with constant engagement

Local communities
Imparting financial literacy and focussing on livelihood, health and education in communities

Customised products and customer-centricity
Offering customised products and a flexible repayment schedule, and partnering with customers in meeting the needs of rural India

Strategy

Strategic Priorities
- Stabilise asset quality
- Recharge growth
- Strengthen operations
- GRC
- Upgrade human capital

Sustainability roadmap
- Greening ourselves
- Decarbonising our industries
- Rejuvenating nature

Activities to Sustain Value

Financial Capital
- Strengthened our sustainable business model
- Maintaining strong corporate governance structures
- Regular investor communication

Manufactured Capital
Value to customers

Intellectual Capital
- Digitised loan lifecycle and AI-driven engagement
- Real-time analytics and AI-based risk tools
- Cloud-first strategy with robust cybersecurity
- Strengthened regulatory compliance and IT governance

Human Capital
- Performance-oriented culture
- Strong focus on diversity
- Continuous productivity enhancement

Social and Relationship Capital
- Engaged actively with regulators, pursuing full compliance and driving societal contribution
- Continued investment in ensuring positive customer experience

Natural Capital
- Strong focus on energy efficiency
- Operational excellence for resource conservation

Outcomes

Financial Capital
Total income - ₹ **16,075 Crore**
(19% Y-o-Y)
Earnings Per Share -
₹ **18.99** per share

Manufactured Capital
Loans disbursed - ~**9.5 lakh** contracts
Customer Query Request Complaints resolved (QRCs) - **98%**

Intellectual Capital
- Reduced TAT from login to disbursals
- Improved underwriting accuracy and faster decision-making
- Use of data-driven methods across business lifecycle operations

Human Capital
New recruits - **7,000+**
Training hours - **8,00,000+**

Social and Relationship Capital
Lives impacted through various CSR initiatives - **2,80,000+**
Customer CaP score - **77**

Natural Capital
Reduction in water usage compared to previous year - **18%**
Y-o-Y GHG emissions reduced - **11,333.04 tCO_2e**

Stakeholders impacted
- Investors
- Employees
- Customers
- Value chain partners
- Communities
- Government and regulators

MATERIALITY ASSESSMENT

With a deep understanding of our operating landscape, we proactively assess the factors influencing our performance and long-term value creation. As a responsible and sustainability-driven organisation, we rigorously evaluate the material issues that shape stakeholder perceptions, influence strategic decision-making, and impact overall business resilience.

At Mahindra Finance, our material issues serve as the foundation of our corporate strategy, governance framework and reporting practices, ensuring alignment with stakeholder expectations. The Integrated Report for FY2025 has been developed in line with the principles of materiality, through a comprehensive assessment process that integrates benchmarking against industry peers, global sustainability frameworks, and stakeholder consultations.

As part of our commitment to responsible business practices, we conduct periodic reviews of material issues, ensuring they remain aligned with evolving business dynamics and continue to inform key operational and strategic decisions.

Materiality Assessment Process

We undertook a refreshed materiality assessment to align our sustainability focus with stakeholder expectations, emerging ESG trends and strategic ESG priorities to identify the environmental, social, and governance (ESG) themes most relevant to the organisation and the stakeholders.

Step 1

Approach and Methodology

Using a two-pronged approach that integrated peer benchmarking and stakeholder engagement, material issues were identified from 21 ESG themes, enabling a comprehensive and credible evaluation of issues most relevant for long-term value creation.

Step 2

Peer Benchmarking

Five peer organisations were carefully selected through a structured process and guided by specific criteria, including quality of ESG disclosures, presence of BRSR filings, and others. The exercise provided critical insights into sectoral ESG priorities and helped establish a robust industry benchmark to inform materiality assessment.

Step 3

Stakeholder Engagement

Key internal stakeholders were identified and engaged across critical business functions and valuable insights were gathered on stakeholder perceptions of material ESG themes and extent of ESG integration within respective functions. These engagements were instrumental in developing a well-rounded perspective on MMFSL's materiality focus areas.

Step 4

Synthesis and Validation

A prioritised list of most critical ESG themes was developed and subsequently corroborated against global frameworks specific to financial services, such as the Sustainability Accounting Standards Board (SASB) materiality themes. The validation process strengthened the materiality assessment's credibility and aligned it with recognised industry standards.

Note - To improve clarity and reduce redundancy, certain overlapping themes - such as Product Responsibility and Sustainable Products & Services - were merged into a more comprehensive and streamlined category.

Peer Benchmarking

5 Peers chosen based on service offerings and quality disclosures

Peers chosen

Criteria
- Quality Disclosures
- Publicly listed on NSE & BSE
- Focus on Indian companies

Stakeholder Engagement

Key stakeholders were identified & engaged to discuss current initiatives & future strategies

Stakeholders identified

- Finance
- Strategy (ST)
- I&S
- CRM
- ESG
- HR
- CSR
- Legal LG

Equal Weightage given to each peer — 50%

Specific Weightage given to each stakeholder — 50%

Standard set of 21 ESG themes mopped & assessed

Equal weightage assigned to both methodologies to finalise

8 Material Themes

SASB material issues and the DJSI weightages for BFSI corroborated the finalised themes

Materiality Assessment Process

The material ESG themes prioritised as part of the assessment process are most critical to long-term value creation, stakeholder expectations, and their alignment with industry standards. These themes provide a structured foundation for strategy development across the ESG pillars, while strengthening our sustainability disclosures and performance monitoring framework.

The focus of the materiality assessment in FY2025 was to evaluate the impact from sustainability factors on company operations ("single materiality"). The process will be expanded in subsequent years to also incorporate impact from company operations on sustainability resources and receptors ("double materiality.

The subsequent section presents each material theme in a structured manner - highlighting its relevance to Mahindra Finance, strategic response, key initiatives implemented during the year, and planned actions to drive continued progress.

Prioritised Material ESG Themes

Environment

M1 **Emissions and Climate Change**
Managing greenhouse gas emissions, water, waste, and climate-related risks.

M2 **Responsible Products and Services**
Offering socially inclusive and environmentally sustainable products.

Social

M3 **Customer Well-being**
Customer satisfaction and safety by delivering services with integrity and transparency.

M4 **Human Capital**
Employee well-being through safe workplaces, inclusive culture, fair labour practices, and active engagement.

M5 **Diversity, Equity & Inclusion (DEI)**
Diverse, inclusive workplace through equal employment opportunities and non-discriminatory practices.

Governance

M6 **Board Governance**
Effective Board oversight and accountability to the company and its shareholders.

M7 **Risk & Control Systems**
Comprehensive risk management and internal controls led by the Board and management.

M8 **Business Ethics**
Upholding integrity, transparency, and ethical conduct in all business activities.

SUSTAINABILITY MAPPING

The Mahindra Group and its brand pillars of Planet Positive, People Positive and Trust Positive, guide us well and inspire us to adopt meaningful initiatives that exemplify sustainability as a vital aspect of our operations and ethos.

At Mahindra Finance, we recognise the importance of operating responsibly and have made sustainability an integral part of our long-term imperatives and day-to-day business operations. Our sustainability mapping is a comprehensive approach that demonstrates how we address key sustainability issues, while aligning them with our overall corporate objectives. A clear sense of purpose flows into everything we do - from the services we provide to the way we deliver them to our customers, to how we engage with our people and other stakeholders.

Sustainability Mapping

The sustainability mapping of MMFSL interweaves the Company's strategic priorities (page 32), digital strategy (page 38) and maturity assessment (page 70), with internationally accepted ESG standards. A summary of the strategic priorities for sustainability has been provided in the next section.

The eight material topics anchor the Company's sustainability mapping. These material topics, however, are at different stages of maturity within Mahindra Finance, and hence, the approach to executing each material topic differs accordingly:

Enhancing existing systems through integration of ESG principles

Human Capital, Customer Well-being, Board Governance, Risk and Control Systems and Business Ethics are well-established departments in Mahindra Finance. The focus from a sustainability perspective is to work with individual teams leading these functions and drive ESG principles through existing operational mechanisms. Additionally, the priority will be to align these functions with international ESG best practices and expectations from the international investor community.

Scale up interventions and formalise action plans

Diversity, equity and inclusion (DE&I) and emissions and climate change are in the scale-up phase at Mahindra Finance. Targets have been internally identified and actions around achieving these targets have been defined. The focus is to create a long-term action plan for achieving these targets, while ensuring that capacity building and development tools are in place to be dynamic to respond to constantly evolving market needs.

Create building blocks for long-term implementation

Responsible products and services is an emerging focus area for most organisations. Mahindra Finance remains poised with its rural and semi-urban focus to make finances available to drive faster adoption of climate mitigation technologies, thus supporting the underserved communities in accessing basic infrastructure and being more climate resilient in the future. The focus is to align with the Company's strategic objectives and support diversification of the portfolio by undertaking feasibility assessments, cost benefit analyses and link it with impact measurement methodologies.

Emissions and Climate Change

Alignment with Strategic Pillars of MMFSL	Digital Strategy of MMFSL	UNSDG Alignment	UNGC Alignment	Alignment with Mahindra Group Brand Pillars
-	Data Analytics and AI	7, 11, 12, 13	• Principle 7 • Principle 8 • Principle 9	Planet Positive

Business Case

Climate change poses significant operational, reputational, and financial risks, especially for financial institutions with deep rural and infrastructure linkages. Integrating climate resilience into core business strategy is no longer optional, but essential for long-term value creation. By investing in energy-efficient infrastructure, transitioning to renewable energy, and financing electric vehicles, MMFSL is future-proofing its operations while aligning with national sustainability goals. These initiatives not only reduce operational costs and emissions, but also open new markets, enhance stakeholder confidence, and ensure regulatory preparedness in a carbon-conscious economy.

Boundary	Stakeholders Impacted	Reference to Details
MMFSL operations + Downstream/Upstream value chain partner.	**Internal** Risk Management, Infrastructure and Services, Finance, Business and Product Teams, Sustainability and Office Management **External** Regulatory Agencies, Investors, Shareholders, Portfolio and Communities in Climate-prone Areas.	Refer to Value Creation for the Environment section of the Integrated Report

Responsible Product and Services

Alignment with Strategic Pillars of MMFSL	Digital Strategy of MMFSL	UNSDG Alignment	UNGC Alignment	Alignment with Mahindra Group Brand Pillars
SO2 - Recharge Growth (Diversification)	• Udaan • Data Analytics and AI	8, 9, 10, 11, 12, 13, 17	• Principles 7, 8 and 9	Planet Positive

Business Case

Responsible products and services are integral to MMFSL's mission of driving financial empowerment and inclusive growth across rural and semi-urban India. By embedding ESG considerations into product design and delivery, MMFSL ensures that services remain affordable, accessible and aligned with the evolving needs of the customers. Responsible lending practices and customer-centric processes not only enhance satisfaction and trust, but also reinforce the Company's competitive advantage, while delivering positive economic, social and environmental impact across the value chain.

The Responsible Product and Services have a linkage with Emissions and Climate Change Materiality topic because a focus of Mahindra Finance is contributing towards climate mitigation and adaptation objectives.

Boundary	Stakeholders Impacted	Reference to Details
Entire Value Chain of MMFSL	**Internal** Customer Relations, Risk and Control Functions, Strategy, Executive Team and Products and Business Teams **External** Investors and Regulatory Agencies	Refer to the Value Creation for Customers section of the Integrated report for customer-centric policies that support financial inclusion principles. Refer to the Product Suite section of the Integrated Report for the affordable housing and microfinance solutions Refer to the Climate Change Opportunities sub-section in the Value Creation - Environment section of the Integrated Report for how the above aligns with climate change mitigation and adaptation.

Customer Well-being

Alignment with Strategic Pillars of MMFSL	Digital Strategy of MMFSL	UNSDG Alignment	UNGC Alignment	Alignment with Mahindra Group Brand Pillars
• S01 - Stabilising Asset Quality • S03 - Strengthened Operations	• Udaan • MMFSL Customer App • AI-Powered Chatbot • Data Analytics and AI	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• Principle 10	People Positive

Business Case

Customer well-being is a material topic for MMFSL, as the business is deeply rooted in serving first-time borrowers and financially underserved communities across rural and semi-urban India. Ensuring customer well-being through responsible lending, financial literacy, and accessible service delivery is essential to building long-term trust and reducing credit risk. Strong customer engagement not only drives business sustainability and brand loyalty, but also supports MMFSL's broader mission of financial inclusion and inclusive economic growth. In the Non-Banking Financial Company (NBFC) industry, effectively managing customer relationships, sales and distribution channels, and ensuring customer satisfaction and protection is vital. A negative customer experience can significantly impact business operations, while a positive experience can drive higher earnings and enhance the Company's brand reputation.

Boundary	Stakeholders Impacted	Reference to Details
MMFSL Operations + MMFSL Customers	**Internal** Customer Relation, Field Officers, Branch Employees, Tele Customer Managers, Business and Product Managers and Sustainability. **External** Current and future customers of MMFSL services.	Refer to Value Creation for Customer Section of the Integrated Report

Human Capital

Alignment with Strategic Pillars of MMFSL	Digital Strategy of MMFSL	UNSDG Alignment	UNGC Alignment	Alignment with Mahindra Group Brand Pillars
• S05 - Upgrading Human Capital	• AI-Powered Chatbot • Cybersecurity	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS	• Principles 1 to 6	People Positive

Business Case

Human capital is a critical enabler of MMFSL's mission to deliver inclusive financial services across India's diverse and underprivileged regions. With widespread presence in rural and semi-urban areas, the ability to attract, retain, and empower skilled talent is central to operational excellence. MMFSL's workforce plays a pivotal role in driving innovation, deepening customer relationships, ensuring compliance, and advancing long-term strategic objectives. Investing in employee well-being, continuous learning, and leadership development is essential to fostering a resilient, agile, and future-ready organisation.

Boundary	Stakeholders Impacted	Reference to Details
MMFSL operations + Downstream/Upstream operations of suppliers/vendors	**Internal** Human Resources, Employees, Other than Permanent Workforce, Contractors and Consultants	Refer to Value Creation for People Section of the Integrated Report

Diversity, Equity and Inclusion (DE&I)

Alignment with Strategic Pillars of MMFSL	Digital Strategy of MMFSL	UNSDG Alignment	UNGC Alignment	Alignment with Mahindra Group Brand Pillars
• S05 - Upgrading Human Capital	-	5 GENDER EQUALITY 10 REDUCED INEQUALITIES	• Principle 1 • Principle 2 • Principle 6	People Positive

Business Case

Diversity, Equity, and Inclusion (DE&I) is a material priority for Mahindra Finance, deeply rooted in its purpose-driven commitment to inclusive growth. Operating across diverse geographies and communities, the organisation recognises that embedding DE&I principles enhances representation, strengthens cultural understanding, and drives fairness. A diverse and inclusive workforce fosters innovation, empathy, and informed decision-making - critical components for delivering customer-centric financial solutions and sustaining long-term business performance. By prioritising DE&I, Mahindra Finance aims to bridge gender gaps, empower underserved communities, and align its business strategy with its core values of equity and inclusivity.

The DE&I strategy has significant interlinkages to the 'Human Capital' material topic and several of the diversity recruitment, equity and inclusion policies will be derived from the strengthening of human resource policies of the Company.

Boundary	Stakeholders Impacted	Reference to Details
MMFSL operations + Downstream/Upstream operations of suppliers/vendors	**Internal** Human Resources, Employee, Other than Permanent Workforce, Contractors, Consultants and MMFSL Board **External** Investors and Customers	Refer to Diversity, Equity and Inclusion sub-section in the Value Creation for People Section of the Integrated Report

Board Governance

Alignment with Strategic Pillars of MMFSL	Digital Strategy of MMFSL	UNSDG Alignment	UNGC Alignment	Alignment with Mahindra Group Brand Pillars
S04 - GRC	Udaan	5 GENDER EQUALITY 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS	• Principles 1, 6 and 10	Trust Positive

Business Case

At MMFSL, strong Corporate Governance is central to building a culture of ethical leadership, accountability, and strategic oversight. As a Non-Banking Financial Institution regulated by the Reserve Bank of India ("RBI"), MMFSL relies on the robust governance frameworks to maintain regulatory compliance, manage risk effectively and uphold the confidence of the Investors and other stakeholders. Good governance is a key enabler of sustainable growth, fostering effective and transparent risk management, board performance, diverse leadership, and long-term value creation across all levels of the organisation. Corporate Governance practices at MMFSL serve as a critical pillar of sustainable business performance.

Boundary	Stakeholders Impacted	Reference to Details
MMFSL Operations + MMFSL Investors	**Internal** Board of Directors, Company Secretary, Investor Relations, Sustainability, Compliance and Shareholders **External** Regulatory Agencies and Investors	Refer to Corporate Governance report and Management Discussion Analysis section of the Integrated Report

Risk and Control

Alignment with Strategic Pillars of MMFSL	Digital Strategy of MMFSL	UNSDG Alignment	UNGC Alignment	Alignment with Mahindra Group Brand Pillars
S04 - GRC	• Strengthening Risk Guardrails • Cybersecurity	10 REDUCED INEQUALITIES, 13 CLIMATE ACTION, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Principles 1, 2, 6, 7 and 10	Trust Positive

Business Case

Operating in diverse rural and semi-urban markets, MMFSL faces unique financial, operational, and climate-related risks. To safeguard its assets, ensure regulatory compliance, and protect stakeholder interests, MMFSL relies on a strong risk management framework. Top ESG risks identified by MMFSL include risk of extreme weather events and risk of talent and/or labour shortages, both of which could adversely impact business growth. By proactively identifying, assessing, and mitigating risks specific to its business model, such as climate impacts on agriculture and talent shortages, MMFSL enhances its ability to navigate uncertainties and build long-term resilience across business cycles, ensuring continued growth and stability.

The Risk and Control Systems, Board Governance and Business Ethics materiality topics have significant inter-linkages with 'Board Governance' defining the policies, procedures and oversight and 'Risk and Control Systems' identifying the preventative controls and review mechanism. Business Ethics has been identified as a standalone topic from a materiality perspective, but is implemented across the organisation through both the Board Governance and Risk and Control ecosystems.

Boundary	Stakeholders Impacted	Reference to Details
MMFSL operations + Downstream/Upstream operations of suppliers/ vendors	**Internal** Risk Management, Infrastructure and Services, Finance, Business and Product Teams, Sustainability and Shareholders **External** Regulatory Agencies and Investors	Refer to ESG Integration into Risk Management in the **Value Creation for Environment** section of the Integrated Report Refer to the **Corporate Governance** section of the Integrated Report.

Business Ethics

Alignment with Strategic Pillars of MMFSL	Digital Strategy of MMFSL	UNSDG Alignment	UNGC Alignment	Alignment with Mahindra Group Brand Pillars
S04 - GRC	Strengthening Risk Guardrails	8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Principle 1 • Principle 6 • Principle 10	Trust Positive

Business Case

At MMFSL, maintaining the highest standards of business ethics is essential for building trust with customers, investors, regulators, and communities. Ethical conduct underpins every transaction, ensuring transparency, fairness, and accountability. With strong governance and ethical practices, MMFSL effectively mitigates risks related to regulatory compliance, reputation, and operational efficiency. By prioritising business ethics, MMFSL strengthens long-term resilience, enhances brand equity, and drives sustainable growth, particularly across its diverse rural and urban market segments.

Boundary	Stakeholders Impacted	Reference to Details
MMFSL Operations + MMFSL Investors + Value Chain Partners + MMFSL Customers	**Internal** All MMFSL Employees	Refer to the **Corporate Governance** section of the Integrated Report Refer to the **Management Discussion Analysis** section of the Integrated Report.

RESULTS: 10-YEAR AT A GLANCE

(₹ in Crore, unless indicated otherwise)

Particulars	FY2025	FY2024	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017	FY2016
Estimated Value of Assets Financed	74,246	71,757	62,526	36,217	25,249	42,388	46,210	37,773	31,659	26,706
No. of Contracts	1,10,20,245	1,00,71,741	90,11,096	79,58,897	73,11,675	68,58,082	61,00,619	53,39,238	47,13,066	41,56,944
Total Assets*	1,35,548	1,15,159	96,217	75,289	77,036	74,071	67,078	52,793	45,837	39,462
Total Income*	16,075	13,562	11,056	9,719	10,517	10,245	8,810	6,685	6,238	5,905
Profit Before Depreciation & Tax*	3,421	2,584	2,885	1,484	548	1,462	2,443	1,711	666	1,079
Depreciation*	273	229	187	127	126	118	60	44	46	41
Profit Before Tax*	3,147	2,355	2,698	1,357	422	1,344	2,382	1,667	620	1,038
Profit After Tax*	2,345	1,760	1,984	989	335	906	1,557	1,076	400	673
Dividend (%)	325	315	300	180	40	0	325	200	120	200
Equity Share Capital*	247	247	247	247	246	123	123	123	113	113
Reserves & Surplus*	19,565	17,911	16,842	15,381	14,465	11,241	10,785	9,499	6,364	5,975
Net Worth*	19,812	18,157	17,089	15,628	14,712	11,364	10,908	9,622	6,477	6,088
No. of Employees Engaged	25,261	26,662	26,329	19,998	19,952	21,862	21,789	18,733	17,856	15,821
No. of Offices	1,365	1,370	1,386	1,384	1,388	1,322	1,321	1,284	1,182	1,167
Earnings Per Share - Basic (Crorees)* (Face Value of ₹ 2/- per share)	18.99	14.26	16.09	8.02	3.03	10.09	25.33	18.52	7.09	11.92
Earnings Per Share - Diluted (Crorees)* (Face Value of ₹ 2/- per share)	18.99	14.25	16.08	8.01	3.02	10.08	25.28	18.49	7.04	11.83

*Figures from FY2018 onwards are as per Ind AS and for earlier financial years as per IGAAP.

AWARDS & ACCOLADES

HUMAN RESOURCES

- Recognised as the 'Best NBFC in Talent & Workforce' at the 29th Edition of Best Banks and NBFCs Awards organised by Business Today
- Recognised as one of the best workplaces in the categories of 'Top rated large company' & 'Top rated financial services company' at the AmbitionBox Employee Choice Awards 2024
- Won award for 'Transformational Leadership Development Program' in the category of 'Best Learning & Development Program of the Year' at the ETBFSI Exceller Awards 2024
- Awarded "Jombay's WOW Workplace Award 2025" for out commitment to building an inspiring, employee-first workplace

SUSTAINABILITY

- Mahindra Finance has increased its Dow Jones Sustainability Index (DJSI) score to '50' becoming best-in-class for listed NBFCs in India
- Ranked 1st at BW Businessworld India's Most Sustainable Companies 2024 in the Financial Services and Insurance Sector
- Won the Gold Award for Education & Skills Development and the Bronze Award for Environmental Sustainability by ACEF Asian Business Leaders Award 2024

MARKETING

- Our content film 'Main Sambhaal Lungi' won an award in the category of Community Connect at the e4m Do Good Awards
- Won the 'Location-Based Marketing Campaign of the Year' award at the e4m Indian Digital Marketing Awards 2024

CORPORATE SOCIAL RESPONSIBILITY

- Honoured with 'Best CSR Initiative & Best Financial Inclusion Initiative' awards at the prestigious DNA Awards 2024
- 'Swabhimaan' initiative honoured with the CSR Project of the Year Award at the India CSR Summit & Awards 2023-24

UNSDG AND UNGC MAPPING

UNSDG	Targets applicable to MMFSL operations	Reference Sections
1 NO POVERTY	**Target 1.4:** Providing financial options to access basic services (e.g. housing and transportation) and providing microfinance solutions. **Target 1.5:** Affordable housing solutions providing permanent housing and building resilience of the poor to combat climate-related extreme events.	• Value Created for Environment • Value Created for Community
3 GOOD HEALTH AND WELL-BEING	**Target 3.8:** Increased access to health coverage and blood donation drives improving availability of essential medical services.	• Value Created for People • Value Created for Community
4 QUALITY EDUCATION	**Target 4.3:** Equal access for women and men to quality technical and vocational training. **Target 4.4:** Increased number of youth who have relevant technical and vocational skills for employment, decent jobs and entrepreneurship. **Target 4.5:** Equal access to vocational training for persons with disabilities. **Target 4.6:** Contribution towards men and women who have achieved literacy and numeracy.	• Value Created for People • Value Created for Community
5 GENDER EQUALITY	**Target 5.1:** Non-discrimination policies and procedures implemented across the company. **Target 5.5:** Women representation in senior leadership and middle management.	• Value Created for People • Value Created for Community
6 CLEAN WATER AND SANITATION	**Target 6.4:** Water saving measures at MMFSL offices and awareness programmes in surrounding communities for water conservation. **Target 6.5:** Water stewardship programmes with local farmers.	• Value Created for Environment • Value Created for Community
7 AFFORDABLE AND CLEAN ENERGY	**Target 7.3:** Improvement in energy efficiency through energy-saving technologies being implemented in MMFSL offices.	• Value Created for Environment
8 DECENT WORK AND ECONOMIC GROWTH	**Target 8.1:** Sustained domestic product growth per annum. **Target 8.5:** Full and productive employment for women, young people and persons with disabilities. **Target 8.6:** Reduced proportion of youth not in employment or training. **Target 8.10:** Contribution towards capacity of domestic financial institutions that expand access to banking, insurance and financial services for all.	• Value Created for Customers • Value Created for Investors • Value Created for People • Value Created for Community
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Target 9.3:** Increased access of small and medium enterprises (SMEs) to financial services including affordable credit. **Target 9.4:** Contribution towards greater adoption of clean and environmentally sound technologies (electric vehicles).	• Value Created for Customers • Value Created for Investors • Value Created for Environment • Value Created for Community
10 REDUCED INEQUALITIES	**Target 10.1:** Contribution towards sustained income growth of the bottom 40% of the population through the rural and semi-urban population focus of the company. **Target 10.3:** Equal opportunity and reduced inequalities through implemented policies and practices. **Target 10.b.:** Contribution towards financial flows, including foreign investment, into small-scale industries, rural/semi-urban areas and vulnerable groups.	• Value Created for Investors • Value Created for People • Value Created for Community
11 SUSTAINABLE CITIES AND COMMUNITIES	**Target 11.1:** Access to safe and affordable housing. **Target 11.2:** Access to safe, affordable, accessible and sustainable transport systems for all	• Value Created for Environment

UNSDG	Targets applicable to MMFSL operations	Reference Sections
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Target 12.2:** Sustainable management and efficient use of natural resources including initiatives in water conservation, energy saving and reused paper products. **Target 12.5:** Reduced waste generation through prevention, reduction, recycling and reuse. **Target 12.6:** Adoption of sustainable practices and integration of sustainability information into the reporting cycle. **Target 12.7:** Implementation of sustainable procurement practices where possible.	• Value Created for Investors • Value Created for Environment • BRSR Principle 2
13 CLIMATE ACTION	**Target 13.1:** Contribution to resilience and adaptive capacity to climate-related hazards through provision of basic services (SDG 1) **Target 13.2:** Integration of climate change planning into policies and strategies. **Target 13.3:** Developed institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	• Value Created for Environment
15 LIFE ON LAND	**Target 15.1:** Promoted conservation, restoration and sustainable use of forests and wetlands. **Target 15.2:** Contribution towards increased afforestation efforts.	• Value Created for Community
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Target 16.6:** Effective, accountable and transparent institutions at all levels	• Value Created for People • Value Created for Environment • Corporate Governance Report
17 PARTNERSHIPS FOR THE GOALS	**Target 17.3:** Mobilized financial resources for community and infrastructure development from multiple sources. **Target 17.7:** Promoted dissemination and diffusion of environmentally sound technologies (electric vehicles) **Target 17.18:** Increased availability of high quality, timely and reliable data disaggregated by income, gender, age, disability and other characteristics relevant in national contexts.	• Value Created for Investors • Value Created for People • Value Created for Environment • Value Created for Community

UNGC Principle	Principle Details	Material Topic	Reference Sections
1	Businesses should support and respect the protection of internationally proclaimed human rights	M4, M5, M6, M7 and M8	Value Created for People Value Created for Environment BRSR Principle 5
2	Businesses should make sure that they are not complicit in human rights abuses	M4, M5, M6 and M7	
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	M4	BRSR Principle 3
4	Businesses should eliminate all forms of forced and compulsory labour	M4	Value Created for People Value Created for Environment
5	Businesses should abolish child labour	M4	BRSR Principle 5
6	Business should eliminate discrimination in respect of employment and occupation	M4, M5, M6, M7 and M8	Value Created for People Value Created for Environment BRSR Principle 5
7	Businesses should support a precautionary approach to environmental challenges	M1, M2 and M7	Value Created for Environment BRSR Principle 6
8	Businesses should undertake initiatives to promote greater environmental responsibility	M1 and M2	
9	Businesses should encourage the development and diffusion of environmentally friendly technologies	M1 and M2	
10	Businesses should work against corruption in all its forms, including extortion and bribery	M2, M3, M6, M7 and M8	Corporate Governance Report BRSR Principle 1

GRI MAPPING

Statement of use	Mahindra Finance GRI Standards for the period April 1, 2024, to March 31st, 2025
GRI 1 used	GRI 1: Foundation 2021

GRI Used **GRI 1: Foundation 2021**

GRI Standard	Disclosure	Section Reference	Page no./BRSR location
GRI 2: General Disclosures 2021	2-1: Organizational Details	Who we are	16-19, 205
	2-1: Organizational Details	Who we are	16-19, 205
	2-2: Entities included in the organization's sustainability reporting	About the Report	2
	2- 3: Reporting period, frequency, and contact point	About the Report	2
	2-4:Restatements of information	None	
	2-5: External assurance	About the report	3
	2-6: Activities, value chain, and other business relationships	Product Suite	20-23
		Business Responsibility & Sustainability Report	Section A: Q23 - 207
	2-7: Employees	Workforce Demographics	54
		Business Responsibility & Sustainability Report	Section A: Q20 - 206
	2-8: Workers who are not employees		
	Workforce Demographics		54
	Business Responsibility & Sustainability Report		Section A: Q20 - 206
	2-9: Governance Structure and Composition	Board of Directors	12-15
	2-15: Conflicts of interest	Business Responsibility & Sustainability Report	Section C: P1E6; P1L2-218; 220
	2-16: Communication of critical concerns	Business Responsibility & Sustainability Report	Section A: Q25- 208
	2-17: Collective knowledge of the highest governance body	Steering Committee and CS	14-17
	2-22: Statement on sustainable development strategy	Business Responsibility & Sustainability Report	Section B: Q7 - 215
	2-23: Policy commitments	Business Responsibility & Sustainability Report	Section B: Q1 - 213
	2-24: Embedding policy commitments	Business Responsibility & Sustainability Report	Section B: Q1 - 213
	2-27: Compliance with laws and regulations	Business Responsibility & Sustainability Report	Section B: Q10 - 216 Section C: P1 E2 to E5 - 217&218
	2-28: Membership associations	Business Responsibility & Sustainability Report	Section C: P7E1 - 244
	2-29: Approach to Stakeholder Engagement	Value for Stakeholders	Section C: P4E1&2; L1 - 229-231
	2-30: Collective bargaining agreements	Business Responsibility & Sustainability Report	Section C: P3E7 - 225
GRI 3: Material Topics 2021	3- 1: Process to determine material topics	Materiality Assessment	70-71
	3-2:List of Material Topics	Materiality Assessment	71

GRI Standard	Disclosure	Section Reference	Page no./BRSR location
Economic Performance	3-3: Management of Material topics	Value Created for Investors	44
	201- 1: Direct economic value generated and distributed	Value Created for Stakeholders	45
Market presence	3-3:Management of material topics	Value Created for Investors	44
	202-1: Ratios of standard entry-level wage by gender compared to local minimum wage	Business Responsibility & Sustainability Report	Section C: P5E2 - 232
Indirect economic impacts	3-3:Management of material topics	Value Created for Community	63
	203-2 Significant indirect economic impacts	Value Created for Community	63-67
Procurement practices	3-3:Management of material topics	-	-
	204-1 Proportion of spending on local suppliers	Creating Impactful Value With Purpose: Suppliers And Vendors	43
Anti-corruption	3-3:Management of material topics	Business Responsibility & Sustainability Report	Section C: P1E4 - 218
	205-1 Operations assessed for risks related to corruption	Business Responsibility & Sustainability Report	Section C: P1E4 to 6 - 218
	205-2: Communication and training about anti-corruption policies and procedures	Business Responsibility & Sustainability Report	Section C: P1E1 - 217
	205-3: Confirmed incidents of corruption and actions taken	Business Responsibility & Sustainability Report	Section C: P1E5 - 218
Anti-competitive behavior	3- 3: Management of material topics	Business Responsibility & Sustainability Report	Section C: P7E2 - 244
	206-1: Legal actions for anti-competitive behaviour, antitrust, and monopoly practices	Business Responsibility & Sustainability Report	Section C: P7E2 - 244
Materials	301-1 Material used by weight or volume	Not applicable – As a financial services entity, Mahindra Finance does not engage in activities involving raw material consumption	
	301-2 Recycled input materials used		
	301-3 Reclaimed products and their packaging materials		
Energy	3- 3: Management of material topics	Value Created for the Environment	55
	302- 1: Energy consumption within the organisation	Business Responsibility & Sustainability Report	Section C: P6E1 - 236
	302-2: Energy consumption outside of the organization	Business Responsibility & Sustainability Report	Section C: P6E1 - 236
	302-3:Energy Intensity	Business Responsibility & Sustainability Report	Section C: P6E1 - 236
	302- 4: Reduction of energy consumption	Value Created for the Environment	62
Water	3- 3: Management of material topics	Value Created for the Environment	55
	303-1: Interactions with water as a shared resource	Environmental Footprint Reduction: Water Stewardship	62
	303- 2: Management of water discharge-related impacts	Not applicable, as per local regulations, all water is discharged through municipal drains that are not subject to specific effluent standards.	
	303-3: Water withdrawal	Business Responsibility & Sustainability Report	Section C: P6E3 - 237
	303-4: Water discharge	Business Responsibility & Sustainability Report	Section C: P6E4 - 238
	303-5: Water consumption	Business Responsibility & Sustainability Report	Section C: P6E3 - 237

GRI Standard	Disclosure	Section Reference	Page no./BRSR location
Emission	3- 3: Management of material topics	Value Created for the Environment	55
	305-1: Direct (Scope 1) GHG Emissions	Business Responsibility & Sustainability Report	Section C: P6E7 - 239
	305-2: Energy indirect (Scope 2) GHG Emissions	Business Responsibility & Sustainability Report	Section C: P6E7 - 239
	305- 3: Other indirect (Scope 3) GHG emissions	Emission Data Summary Business Responsibility & Sustainability Report	57 Section C: P6L2 - 242
	305-4: GHG Emissions Intensity	Business Responsibility & Sustainability Report	Section C: P6E7;P6L2 - 239;242
	305-5: Reduction of GHG emissions	Business Responsibility & Sustainability Report	Section C: P6E8 - 239
	305-7: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Business Responsibility & Sustainability Report	Section C: P6E6 - 238
Waste	3-3: Management of material topics	Value Created for the Environment	55
	306-1: Waste generation and significant waste-related impacts	Value Created for Environment	62
	306-2: Management of significant waste-related impacts	Value Created for Environment	62
	306-3: Waste generated	Business Responsibility & Sustainability Report	Section C: P6E9 - 240
	306-4: Waste diverted from disposal	Business Responsibility & Sustainability Report	Section C: P6E9 - 240
	306-5: Waste directed to disposal	Business Responsibility & Sustainability Report	Section C: P6E9 - 240
Employment	3-3: Management of material topics	Value Created for Our People	48
	401- 1: New employee hires and employee turnover	Value Created for Our People	54
	401-2: Benefits provided to full-time employees that are not provided to temporary or part- time employees	Business Responsibility & Sustainability Report	Section C: P3E1 - 223
	401-3: Parental leave	Business Responsibility & Sustainability Report Value Created for Our People	Section C: P3E5 - 224 54
Occupational Health and Safety	3-3: Management of material topics	Value Created for Our People	48
	403- 1: Occupational health and safety management system	Business Responsibility & Sustainability Report	Section C: P3E10 - 226
	403-2: Hazard identification, risk assessment, and incident investigation	Business Responsibility & Sustainability Report	Section C: P3E10 - 226
	403-3: Occupational health services	Business Responsibility & Sustainability Report	Section C: P3E10 - 226
	403-5: Worker training on occupational health and safety	Business Responsibility & Sustainability Report	Section C: P3E8 - 226
	403-6: Promotion of worker health	Business Responsibility & Sustainability Report	Section C: P3E10 - 226
	403-8: Workers covered by an occupational health and safety management system	Business Responsibility & Sustainability Report	Section C: P3E10 - 226
	403-9: Work-related injuries	Business Responsibility & Sustainability Report	Section C: P3E11 - 227
	403-10: Work-related ill health	Business Responsibility & Sustainability Report	Section C: P3E11 - 227

GRI Standard	Disclosure	Section Reference	Page no./BRSR location
Training and Education	3-3: Management of material topics	Value Created for Our People	48
	404-1: Average hours of training per year per employee	Value Created for Our People	48
	404-2: Programs for upgrading employee skills and transition assistance programs	Business Responsibility & Sustainability Report Value Created for Our People	Section C: P3L4- 228 52
	404-3: Percentage of employees receiving regular performance and career development reviews	Business Responsibility & Sustainability Report	Section C: P3E9 - 226
405-1: Diversity and Equal Opportunity	3-3: Management of material topics	Value Created for Our People	48
	405-1 Diversity of governance bodies and employees	Board of Directors	12-13
Non discrimination	3-3: Management of material topics	Value Created for Our People	48
	406-1 Incidents of discrimination and corrective actions taken	Business Responsibility & Sustainability Report	Section C: P5E6 - 233
Freedom of Association and Collective Bargaining	3-3: Management of material topics	Value Created for Our People	48
	407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Business Responsibility & Sustainability Report	Section C: P5L5 - 235
Child Labour	3-3: Management of material topics	Value Created for Our People	48
	408-1 Operations and suppliers at significant risk for incidents of child labour	Business Responsibility & Sustainability Report	Section C: P5E6- 233
Forced or Compulsory Labor	3-3: Management of material topics	Value Created for Our People	48
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Business Responsibility & Sustainability Report	Section C: P5E6 - 233
Local Communities	3-3: Management of material topics	Value Created for Our People	48
	413-1 Operations with local community engagement, impact assessments, and development programmes	Value Created for Community	63-67
Supplier social assessment	3-3: Management of material topics	Value Created for Our People	48
	414-1: New suppliers that were screened using social criteria	Business Responsibility & Sustainability Report	Section C: P2E2; P5L4- 220-221; 235
	414-2 Negative social impacts in the supply chain and actions taken	Business Responsibility & Sustainability Report	Section C: P2E2; P5L5- 220-221; 235
Marketing and labeling	3-3: Management of material topics	Value Created for Our People	48
	417-1:Requirements for product and service information and labeling	Business Responsibility & Sustainability Report	Section C: P9L4 - 249
	417-2: Incidents of non-compliance concerning product and service information and labeling	The Company operates in a highly regulated sector with strong systems, and no such incidents were reported	
	417-3: Incidents of non-compliance concerning marketing communications		
Customer privacy	3-3: Management of material topics	Value Created for Our People	48
	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Business Responsibility & Sustainability Report	Section C: P9E3 - 247

Note: P - BRSR Principle; E - Essential Indicator; L - Leadership Indicator

SGS

SGS India Private Limited
4B, Adi Shankaracharya Marg,
Vikhroli (West), Mumbai – 400083

+91 080 6938 8888
+91 22 6640 8888
www.sgs.com

. INDEPENDENT LIMITED ASSURANCE STATEMENT

Independent Limited Assurance Statement to Mahindra and Mahindra Financial Services Limited on its Integrated Report for the FY 2024-25

Mahindra & Mahindra Financial Services Limited

Mahindra Towers
3rd Floor, Dr. G.M. Bhosale Marg,
Worli, Mumbai 400018,
India

Nature of the Assurance

SGS India Private Limited (hereinafter referred to as 'SGS India') was engaged by Mahindra & Mahindra Financial Services Limited (the 'Company') to conduct an independent assurance of the disclosures under the Integrated Report (the 'Report') pertaining to the reporting period of April 1, 2024, to March 31, 2025. The Integrated Report has been prepared in line with the Global Reporting Initiatives (GRI) Standards and Integrated Report <IR> Framework. This Limited level of assurance engagement was conducted in accordance with "International Standard on Assurance Engagements (ISAE) 3000 (Revised)" and GRI principles.

Reporting Framework

The Report has been prepared following the

- Integrated Report <IR> Framework
- Global Reporting Initiative Framework
- Greenhouse Gas protocol

Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all Mahindra & Mahindra Financial Services Limited's Stakeholders.

Responsibilities

The information in the report and its presentation are the responsibility of the management of the Company. SGS India has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, and statements within the defined scope of assurance, aiming to inform the management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific scope. The Statement shall not be used for interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope. The Company holds the responsibility for preparing and ensuring the fair representation of the assurance scope.

Assurance Standard

SGS has conducted Limited level Assurance engagement in accordance with the International Standard on Assurance Engagement (ISAE) 3000 (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and GRI principles. Our evidence-gathering procedures were designed to obtain a *'Limited level of assurance'*. The procedures performed in a limited assurance engagement are designed to support expectations regarding the direction of trends, relationships and ratios rather than to identify misstatements with the level of precision expected in a reasonable assurance engagement.

Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and

SGS India Private Limited
4B, Adi Shankaracharya Marg,
Vikhroli (West), Mumbai – 400083
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providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirms our independence from Mahindra & Mahindra Financial Services Limited, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance

Scope of Assurance

The assurance process involved assessing the quality, accuracy, and reliability of ESG Indicators within the Integrated Report for the period April 1, 2024, to March 31, 2025. The reporting scope and boundaries include Mahindra & Mahindra Financial Services Limited, and its regional offices spread across Central, North, East, West and South in the different states of India.

Assurance Methodology

The assurance comprised a combination of desktop review, interaction with the key personnel engaged in the process of developing the report, on-site visits, and remote verification of data. Specifically, SGS India undertook the following activities:

- Assessment of the suitability of the applicable criteria in terms of its comprehensiveness, reliability, and accuracy.
- Interaction with key personnel responsible for collecting, consolidating, and calculating the ESG KPIs and assessing the internal control mechanisms in place to ensure data quality.
- Application of analytical procedures and verification of documents on a sample basis for the compilation and reporting of the KPIs.
- Assessing the aggregation process of data at the Head Office level.
- Critical review of the report regarding the plausibility and consistency of qualitative and quantitative information related to the KPIs.

Limitations

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data review outside the operational sites as mentioned in the reporting boundary.
- Validation of any data and information other than those presented in "Findings and Conclusion."
- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for Assumption/ estimation/measurement errors and omissions.
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the Report.
- Mapping of the Report with reporting frameworks other than those mentioned in Reporting Criteria above.

SGS India verified data on a sample basis; the responsibility for the authenticity of data entirely lies with the Company The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions. SGS India has not been involved in the evaluation or assessment of any financial data/performance of the company. Our opinion on financial indicators is based on the third-party audited financial reports of the Company. SGS India does not take any responsibility for the financial data reported in the audited financial reports of the Company.

Findings and Conclusions

Based on the procedures we have performed and the evidence we have obtained, we are satisfied that the ESG KPIs (listed below) presented by the Company in its Integrated Report are complete, accurate, reliable, has been fairly stated in all material respects, and is prepared in line with the Reporting requirements.

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The list of ESG KPIs that were verified within this assurance engagement is given below:

205-1	Number/Percentage of risk compliance assessment of the operational sites
205-2	Communication and training on anti-corruption policies and procedures
205-3	Confirmed incidents of corruption and actions taken
206-1	Number of regular penalties, settlements, voluntary disclosures etc
301-1	Material used by weight or volume
301-2	Recycled input materials used
301-3	Reclaimed products and their packaging materials
305-6	Emissions of ozone depleting substances (ODS)
308-1	New Suppliers that were screened using environmental criteria
308-2	Negative environmental impacts in the supply chain and action taken.
403-1	Occupational health and safety management system
414-1	New Suppliers that were screened using social criteria
414-2	Negative social impacts in the supply chain and action taken.

For and on behalf of SGS India Private Limited

Ashwini K. Mavinkurve, Head – ESG & Sustainability Services, SGS India Pune, India 25th June,2025	**Abhijit Joshi** Technical reviewer– ESG & Sustainability Services, SGS India Pune, India	**Blessy Sen** Lead Verifier – ESG & Sustainability Services, SGS India Mumbai, India Team Members: Dheeraj Sindhe, Anisha Udaykumar & Harishankar Tiwari

BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present their Thirty-Fifth Report together with the audited financial statements of your Company for the Financial Year ended 31st March 2025 ("FY2025").

Financial Summary and Operational Highlights

(₹ in crore)

Particulars	Consolidated		% Change	Standalone		% Change
	FY2025	FY2024		FY2025	FY2024	
Total Income	**18,530.46**	**15,970.32**	**16.03**	**16,074.69**	**13,562.42**	**18.52**
Less: Finance Costs	8,415.43	6,959.20		7,898.30	6,426.94	
Expenditure	6,832.14	6,204.20		4,755.70	4,551.30	
Depreciation, Amortization and Impairment	321.21	274.85		273.42	228.71	
Total Expenses	**15,568.78**	**13,438.25**	**15.85**	**12.927.42**	**11,206.95**	**15.35**
Profit before exceptional items and taxes	2,961.68	2,532.07		3,147.27	2,355.47	
Share of profit of Associates & Joint Ventures	65.23	56.11		-		-
Exceptional items	-	-	-	-	-	-
Profit Before Tax	**3,026.91**	**2,588.18**	**16.95**	**3,147.27**	**2,355.47**	**33.62**
Less: Provision For Tax						
Current Tax	820.93	716.10		779.45	664.93	
Deferred Tax	(54.89)	(70.97)		22.78	(69.08)	
Profit After Tax	**2,260.87**	**1,943.05**	**16.36**	**2,345.04**	**1,759.62**	**33.27**
Less: Profit for the year attributable to Non-controlling interests	(1)	10.36		-		-
Profit attributable to owners of the Company	**2,261.87**	**1,932.69**	**17.03**	**2,345.04**	**1,759.62**	**33.27**
Balance of profit brought forward from earlier years	8,364.29	7,417.35		7037.93	6,376.60	
Add: Other Comprehensive income /(Loss)	(5.71)	(6.71)		(7.49)	(4.97)	
Balance available for appropriation	10,620.45	9,343.33		9,375.48	8,131.25	
Less: Appropriations						
Dividend paid on Equity Shares	777.78	740.23		778.38	741.32	
Transfer to Statutory Reserves	469.13	352.94		469.00	352.00	
Add/Less: Other Adjustments:						
Changes in Group's Interest	(0.65)	114.13			-	
Balance carried forward to balance sheet	9,372.89	8,364.29		8,128.10	7,037.93	15.49
Net worth	**21,529.46**	**19,933.25**	**8.01**	**19,812.23**	**18,157.49**	**9.11**

Consolidated Performance Highlights

- Total Income increased by 16.03% to ₹ 18,530.46 crore for FY2025 as compared to ₹ 15,970.32 crore in FY2024.
- Profit Before Tax ("PBT") increased by 16.95% to ₹ 3,026.91 crore for FY2025 as compared to ₹ 2,588.18 crore in FY2024.
- Profit After Tax ("PAT") (Net of non-controlling interest) increased by 17.03% to ₹ 2,261.87 crore for FY2025 as compared to ₹1,932.69 crore in FY2024.

Standalone Performance Highlights

- During the year under review, the Company has disbursed loans of ₹ 57,899.69 crore as against ₹ 56,208.22 crore during the previous year, an increase of 3% over the same period in previous year.
- Total Income increased by 18.52% to ₹ 16,074.69 crore for the year ended 31st March 2025 as compared to ₹ 13,562.42 crore for the previous year.
- PBT increased by 33.62% to ₹ 3,147.27 crore as compared to ₹ 2,355.47 crore for the previous year.
- PAT increased by 33.27% to ₹ 2,345.04 crore as compared to ₹ 1,759.62 crore in the previous year.
- The Assets Under Management ("AUM") registered a growth of 17% and stood at ₹ 1,19,673.02 crore as at 31st March 2025 as against ₹ 1,02,596.77 crore as at 31st March 2024.

The Gross Stage 3 loan assets stood at ₹ 4,413.94 crore as on 31st March 2025 as compared to ₹ 3,490.90 crore as on 31st March 2024. The Gross Stage 3 as a percentage to Business Assets increased to 3.7% as on 31st March 2025 as against 3.4% as on 31st March 2024.

During the year, the Company's asset quality remained within a comfortable range, with Gross Stage 3 slightly higher at 3.7% of Business assets and as targeted, the Company has been able to maintain the aggregate level of Gross Stage 2 + Gross Stage 3 below 10% (actual at 9.1%) of business assets as on 31st March 2025. While the credit cost for the year was at 1.3% underscoring prudent risk management. The Company continued to maintain underwriting discipline and a proactive approach to restrict early-stage delinquencies.

Material changes from the end of the financial year till the date of this report

No material changes and commitments have occurred after the closure of the Financial Year 2024-25 till the date of this Report, which would affect the financial position of your Company.

ECL and other updates

The Company estimates impairment on financial instruments as per Expected Credit Loss ("ECL") approach prescribed under Ind AS 109 'Financial Instruments' and in accordance with the Board approved ECL Policy.

In estimation of Expected Credit Loss (ECL) provisions, the Company has been using the updated ECL model in which multi-factor macro-economic variables and product classification of vehicle loan portfolios are built-in and the Company has been updating the ECL model with the latest set of data inputs at reasonable periodic intervals to capture the expected significant changes in macro-economic growth prospects and shifts in market drivers and changes in risk profile of customer credit exposures. During the current financial year, as part of annual refresh, along with updation of latest macro-economic growth estimates and other relevant input parameters for computation of ECL provisions for loan portfolios, the Company has also calibrated the ECL model for Small and Medium Enterprise (SME) portfolio and Trade advance portfolio. The Company had estimated the ECL provision for year ended 31st March 2025 in accordance with the updated ECL model. The Company holds provision towards expected credit loss as at 31st March 2025 aggregating to ₹ 3,459 crore (as at 31st March 2024: ₹ 3,401.59 crore).

The Company's net Stage-3 assets ratio stood at 1.84% as at 31st March 2025 as against 1.28 % as at 31st March 2024.

Transfer to Reserves

The Company has transferred an amount of ₹ 469 crore to the Statutory Reserves, in compliance with section 45-IC of the Reserve Bank of India ("RBI") Act, 1934. Further, the Board of your Company has decided not to transfer any amount to the General Reserve for the year under review. An amount of ₹ 8,128.10 crore is proposed to be retained in the Profit and Loss Account of the Company.

The Company maintains sufficient liquidity buffer to fulfil its obligations arising out of issue of debentures. The Company being an NBFC, is exempt from transferring any amount to debenture redemption reserve in respect of privately placed or public issue of debentures, as per the provisions of section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, read with applicable Ministry of Corporate Affairs circular. In respect of secured listed non-convertible debt securities, the Company maintains 100% security cover or higher security cover as per the terms of Information Memorandum, General Information Document ("GID"), Key Information Document ("KID"), as the case may be and/or Debenture Trust Deed, sufficient to discharge the liability towards principal amount and interest thereon.

Dividend

Considering good performance and strong cash flows, your Directors are pleased to recommend a dividend of ₹ 6.50 per equity share (325%) on the face value of ₹ 2 each, for FY2025 vis-a-vis 315% dividend in FY2024. Dividend is subject to approval of the Members at the ensuing Annual General Meeting.

The Company has not paid any Interim Dividend during the financial year under review.

The dividend recommended is in accordance with the Company's Dividend Distribution Policy, within the ceiling and in compliance with the framework prescribed in RBI Master Directions (formerly known as RBI guidelines on Declaration of Dividend by NBFCs).

Tax on Dividend

In terms of the provisions of the Income-tax Act, 1961, the Company will make payment of dividend after deduction of tax at source ("TDS") as per the prescribed rates, to those shareholders whose names appear as beneficial owner/ member in the list of beneficial owners to be furnished by National Securities Depository Limited/ Central Depository Services (India) Limited in case of shares held in dematerialised form, or in the Register of Members in case of shares held in physical form, as at the close of business hours on Tuesday, 15th July 2025 (Record date for the purpose of Dividend).

Unclaimed dividend transferred to Investor Education and Protection Fund

In terms of the provisions of Sections 124 and 125 of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, during the year under review, the Company has transferred an amount of ₹ 5,34,873.60 being the unclaimed dividend for FY 2016-17 to the Investor Education and Protection Fund ("IEPF"). The details of total amount(s) lying in unpaid dividend account(s) of the Company for last seven years and due to be transferred to IEPF, is mentioned in the Report on Corporate Governance, forming part of this Annual Report.

Dividend Distribution Policy

In compliance with the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Dividend Distribution Policy, setting out criteria and circumstances to be considered by the Board while recommending dividend to the shareholders. The Dividend Distribution Policy provides for eligibility criteria, aspects to be considered by the Board while recommending dividend, ceiling on dividend payout ratio etc., in accordance with the Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 dated 19th October 2023.

As set out in Dividend Distribution Policy, the Company's dividend payout is determined based on available financial resources, investment requirements and optimal shareholder return.

Within these parameters, the Company endeavours to maintain a total dividend payout ratio in the range of 20% to 30% of the annual standalone Profit after Tax ("PAT") of the Company.

The Dividend Distribution Policy can also be accessed on the Company's website at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies .

Operations

Your Company remains dedicated to fuelling the aspirations of the customers by providing financing solutions for automobiles and tractors, primarily catering to those who rely on these assets for their livelihoods and personal mobility. Beyond this core offering, your Company has broadened its scope to include pre-owned vehicle loans, support for small and medium enterprises (SMEs), insurance brokerage services (via its subsidiary Mahindra Insurance Brokers Limited), mutual fund distribution (through its joint venture Mahindra Manulife Investment Management Private Limited), and fixed deposit schemes. Additionally, your Company continued to penetrate into leasing and loan against property business. In FY2025, the focus has been on building cross sell engine by entering into Insurance Corporate Agency and growing its co-lending and co-origination partnerships with fintechs, NBFCs, Banks and MSME platforms. In addition, your Company has decided to foray into mortgage space.

In the core vehicle finance business, your Company has strengthened its capabilities by designing flexible financial products aligned with customers' cash flow patterns. It has also built heft around underwriting, risk management and has set up a fraud control unit. As a result, it has solidified its dominance in financing Mahindra's vehicles and tractors and is actively pursuing partnerships with prominent Original Equipment Manufacturers ("OEMs") to expand its market presence. It continues to strengthen its position in the pre-owned vehicle and tractor space.

Pillars of Progress: Growth, Efficiency, and Customer-Centricity

A. Expanding On-the-Ground Presence

As of 31st March 2025, MMFSL's network encompasses 1,365 offices and branches across 27 States and 7 Union Territories, reinforcing its nationwide reach. This expansive infrastructure reduces reliance on any single region, mitigating risks posed by localized climatic or economic fluctuations, such as excessive rainfall or drought. Each branch serves as a hub for organic growth, leveraging local relationships to deliver a suite of financial services, including vehicle loans, SME funding, insurance solutions, and more. Centralized oversight ensures consistent asset quality, while the Company's deep penetration into rural and semi-urban markets positions it to address the evolving financial demands and ambitions of India's diverse population.

Your Company's enhanced branch structure facilitates better opportunity to cater to customers' needs and assist us in better customer servicing and improved regulatory compliance.

B. Strengthening Digital Engagement

Your Company is deepening its reach in rural and semi-urban India through end-to-end digital loan journeys, automated credit assessments, and faster turnaround times.

The redesigned Mahindra Finance Customer App offers customers a seamless experience for EMI payments, loan management, Fixed Deposit booking, and BBPS-enabled utility payments.

The app is available in 12 languages and has over 4.5 lakh+ App sign-ups since launch of revamped version in Dec 2024.

An AI-powered Chatbot launched in 2024, provides multilingual support (in 4 languages) via app and web.

Over 35 lakh+ messages have been exchanged.

UDAAN - Your Company's transformation initiative assists in elevating digital capabilities across the value chain, offering assisted journeys backed by analytics, alternate data, and fraud prevention tools, thereby leading to improved sales and operations productivity, reduced turnaround times, and enhanced financial discipline. The assisted end-to-end digital loan process, enhanced by advanced analytics, alternative data sources, account aggregators (AA), bank statement analysis (BSA), improved fraud prevention measures, credit assessments, digital KYC, e-stamping, e-sign, and e-mandates have led to significantly reduced turnaround times. Additionally, it has streamlined documentation through automation and enhanced transparency throughout the lending process, underscoring our commitment to providing innovative and customer-focused financial solutions.

Our newly launched digital collections application offers a 360-degree view of the customer, featuring a performance and activity dashboard, loan information, payment history, and additional functionalities. By leveraging automated reminders and digital payment platforms, we ensure prompt collections while minimizing operational expenses and reducing delinquencies. Additionally, employees are equipped with nudges to assist customers in navigating repayment options (UPI, QR codes, debit card, internet banking, etc.), addressing any concerns, recording minutes of meetings (MOMs), and providing customized solutions. This initiative has enhanced our portfolio's health, improved customer convenience and experience, and promoted financial discipline within an increasingly digital landscape.

C. Harnessing Technological Innovation

Your Company is leveraging AI, ML, and advanced analytics to optimize underwriting, collections, and decision-making. AI-powered scorecards now segment customers by risk, allowing for smarter approvals and reduced delinquencies. Our GenAI-powered chat interface provides senior management with instant data insights, while a Data Lakehouse enables real-time dashboards and performance tracking.

A next-gen AI collections strategy has reduced EMI bounce rates by 20-25% in early buckets, improving asset quality. AI-ML tools are also being used to enhance the pre-approved and pre-qualified loan offer base by 8x.

Cloud infrastructure has been strengthened through a multi-cloud agnostic strategy, achieving cost efficiencies, better scalability, and improved data security. We have implemented cybersecurity upgrades including DLP, XDR, SIEM, WAF, and MDM tools, along with a 24/7 Security Operations Centre and third-party Red Team assessments to safeguard critical assets.

In line with RBI's IT governance directions, we've built a centralized tech asset inventory, enhanced IT service management workflows, and established robust frameworks for business continuity, risk assessment, and IT outsourcing - reinforcing operational resilience and regulatory compliance.

D. Data as a Strategic Edge

Your Company has built a centralized Data Lakehouse architecture, empowering real-time access to performance dashboards, KPIs, and cross-functional business insights. This is strengthening our ability to make data-driven decisions and customize offerings across customer segments.

Advanced analytics are embedded across functions—improving lead conversion, channel productivity, and collections forecasting. These insights are also enhancing financial discipline and regulatory preparedness.

E. Improved Insurance Coverage of MMFSL assets

Your Company received its corporate agency license from IRDAI in May 2024 and since then Company has partnered with various insurance companies for offering a comprehensive range of insurance products to meet diverse customer needs. Your Company has introduced exclusive group insurance products tailored for its existing customers. Your Company also offers retail insurance solutions in Motor, Health & Life insurance for both new and existing customers.

Your Company leverages its Pan-India branch network of 1365 branches and trained, certified personnel with a strong understanding of customer needs. Your Company has also tied-up with 10 insurance companies - 4 Life, 2 Health and 4 General Insurance companies to provide adequate choice to its customers.

This has resulted in improved insurance penetration and enhanced service delivery through an in-house claims team, resulting in better claims experience. Continuous employee training and better insurance penetration have further reinforced the model's success, positioning insurance as a strategic lever for risk management. All these efforts led to an effective insurance coverage of your Company's assets, lives and health of customers.

The distribution network is driven by a dedicated team of employees (Specified Persons) and PoSP (Point of Sales Persons), positioned across ~1200 + locations to ensure widespread reach and seamless customer service.

Additionally, your Company also plans to expand its distribution channel by introducing digital and telemarketing platforms to serve broader customer base across India more efficiently.

F. Future Growth Enablers

MMFSL's vision is to be a leading and responsible financial solution partner of choice for emerging India. This commitment reflects a dual focus on responsible customer service and sustainable profitability, extending beyond traditional lending to a holistic suite of solutions. The emphasis on digital innovation and product diversification is central to this vision.

Your Company targets a sustainable growth trajectory and maintaining stable asset quality. Strategic efforts are focused on deepening penetration in pre-owned car, used tractor, and SME financing, tapping into untapped demand within these segments. To broaden its service offerings, MMFSL has forged new alliances for co-lending and co-origination. These collaborations enhance outreach, improve credit access, and offer competitive rates to underserved communities. The AUM from these partnerships have gone up significantly in the current financial year as compared to the previous financial year. The Company remains committed to refining its risk management, underwriting frameworks to sustain top-tier asset quality and strengthening its partnerships with fintechs, NBFCs, banks & MSME platforms. Moving forward, the growth strategy will be centred around leveraging digital platforms to enhance service delivery through customer acquisition, establishing strategic alliances and exclusive partnerships with fintech firms and next-generation technology distributors, strengthening digital capabilities to ensure seamless accessibility and an optimized customer experience and utilizing digital platforms to identify cross-sell and up-sell opportunities while enhancing overall customer service.

Other Developments

- **Mortgage Business**

  The Board of your Company has approved expansion into Mortgage business which would include providing Housing Finance, Top-up loans, Lease rental discounting, home improvement and home extension loans, balance transfer loans, construction finance etc. Your Company intends to leverage its strong geographical presence in the retail lending space to exploit the mortgage lending opportunity for its existing customers as well as new customers. Your Company would also participate in affordable housing loan schemes of government. This expansion would leverage your Company's established presence in the financial services sector and its deep understanding of the customer needs resulting in increase in the mortgage lending opportunity to its existing customers as well as new customers.

  Your Company is in the process of building its mortgage capabilities and is in investment mode with focus on recruitment, infrastructure build out, and technology setup towards building up its capabilities.

- **Rights Issue of Equity Shares**

  The Board of Directors of the Company ("Board") at their meeting held on 13th February 2025, had inter-alia considered and approved the fund raising by way of offer and issuance of fully paid-up equity shares of the Company for an amount not exceeding ₹ 3,000 Crore by way of a rights issue ("Rights Issue") to the eligible equity shareholders of the Company, to primarily maintain a strong capital adequacy ratio keeping in mind Company's growth plans to augment its Assets Under Management ("AUM"). Till the date of this report the Company has not made any public announcement and has not undertaken further action or decision in relation to the Rights Issue including setting a Record date or ratio or pricing. Necessary intimations/ announcements to the shareholders, stock exchanges etc., on the above would be made in due course.

Change in Nature of Business

There has been no change in the nature of business and operations of the Company during the year under review.

RBI Compliances

Your Company has been categorised as an NBFC- Upper Layer vide press release dated 30th September 2022, issued by RBI. Your Company has always endeavored to maintain the highest standards of compliance within the organisation and shall continue to do so going ahead. The Company continues to comply with all the applicable laws, regulations, guidelines etc. prescribed by the RBI, from time to time including the norms pertaining to capital adequacy, non- performing assets etc.

Your Company's asset liability management is reviewed on quarterly basis by a focused Board level committee viz. Asset Liability Committee. Your Company's liquidity coverage ratio ("LCR") was 277% as on 31st March 2025 against the mandatory requirement of 100%.

Your Company has adopted all the mandatory applicable policies under Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 like Large Exposure Policy, Internal Capital Adequacy Assessment Policy (ICAAP), Compliance Policy etc.

Compliance Risk Assessment Framework and Compliance Testing ("CRAFT")

Your Company has also put in place Compliance Risk Assessment Framework and Compliance Testing in compliance with RBI circular dated 11th April 2022.

Business Continuity Policy

In order to have robust framework & process for Business continuity, your Company has implemented Business Continuity Management Policy which inter-alia includes identification, monitoring, reporting, responding and managing the risks including mitigating risks of a significant / prolonged business disruption in order to protect the interests of the Company's customers, employees and stakeholders.

Your Company continues to invest in talent, systems and processes to further strengthen the control, compliance, risk management and governance standards in the organisation.

Internal Ombudsman

Your Company has appointed an Internal Ombudsman ("IO") in compliance with the Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 dated 29th December 2023, ("Master Directions").

In compliance with Master Directions, Mr. Alok Kumar Sharma has been appointed and is currently serving as the 'IO' of the Company, contact details of IO are available on the website and can be accessed on the website at https://www.mahindrafinance.com/customer-service/nbfc-ombudsman-scheme/contact-details

The Board of Directors at the quarterly Board meetings review number of complaints escalated to IO and status of disposal of such complaints in compliance with the said RBI circular. Report on number of complaints escalated to IO and status of disposal of such complaints is reproduced hereunder:

No of complaints outstanding at the beginning of the year	404
No of complaints received during the year	43,174
Of the complaints received, number of complaints referred to IO during the year, which were rejected by the Company	2,757
Of the complaints referred to IO how many complaints were agreed by IO	2,749
Of the complaints referred to IO how many complaints were disagreed by IO	8
Total complaints pending with IO at the end of the year	74

Macro factors and sourcing of funds:

During the year under review, Reserve Bank of India ("RBI") focused mainly on neutral monetary policy to ensure that inflation durably aligns with the target, while supporting growth. During Q4 FY2025 with inflation on a decreasing trend and increasing global uncertainties, RBI reduced the REPO Rate by 25bps to 6.25%. Liquidity conditions remained tight with the banking sector liquidity remaining largely negative in FY2025.

Inflation in India has remained majorly below 6% (RBI upper tolerance limit) throughout the year. Consumer Price Index ("CPI") inflation was 3.34% in March 2025. Globally, inflation showed a downward trajectory and seems to be moderating paving the way for a growth revival. However, this comes with a caution as successive shocks like the Russian-Ukraine war, Israel-Hamas-Iran conflict, significant US policy changes by new administration in 4 distinct areas viz: trade, immigration, fiscal policy and regulation which is expected lead to global uncertainty and economic slowdown. The rupee has remained under pressure throughout FY2025 against the US dollar. During Q4 FY2025, it remained volatile primarily on account of proposed US policy changes, however it recovered and ended at ₹ 85/$ mark.

The 10 Year G Sec curve has been following a reducing trend from around 7.1% to 6.5% during the financial year. During the year, interest cost on borrowed funds remained at 7.64% (interest cost to average borrowing) for the Company.

During the year under review, your Company continued with its diverse methods of sourcing funds including borrowing through Secured and Unsecured Debentures, Term Loans, External Commercial Borrowings, Securitisation, Fixed Deposits, Commercial Papers, Inter Corporate Deposit etc., and maintained prudential Asset Liability match throughout the year. Your Company sourced long-term debentures and loans from banks and other institutions at attractive rates. Your Company continues to expand its borrowing profile by tapping new lenders and geographies.

Securitisation

During the year, your Company successfully completed Securitization/Direct Assignment transactions aggregating to ₹ 6,530 crore.

Non-Convertible Debentures

During the year under review, your Company raised an aggregate of ₹ 7,255 crore through issuance of Non-convertible ("NCDs") debentures private placement basis as mentioned hereunder:

1. ₹ 5,755 crore, raised though issuance of Secured Redeemable Non-Convertible Debentures.

2. ₹ 1,500 crore raised through issuance of Unsecured Redeemable Non-Convertible Subordinated Debentures eligible for Tier II Capital.

As specified in the respective offer documents, the funds raised from issuance of NCDs were utilised for various financing activities, onward lending, repaying the existing indebtedness, working capital and for general corporate purposes of the Company. Details of the end-use of funds were furnished to the Audit Committee on a quarterly basis. The NCDs are listed on the debt market segment of BSE Limited. As on 31st March 2025 there are no unlisted NCDs.

During the year, your Company has redeemed NCDs worth ₹ 4,645 crore and subordinated debt worth ₹ 215 crore on private placement basis.

Your Company is in compliance with the applicable guidelines issued by Securities and Exchange Board of India and other applicable regulators in this regard.

There has been no default in making payments of principal and interest on all the NCDs issued by the Company on a private placement basis and through public issue. Further, there was no deviation/variation in use of proceeds raised from the object stated in the offer document. As on 31st March 2025, there was no unpaid/unclaimed interest on NCDs issued on a private placement basis. With respect to the three public issuances of NCDs made by the Company, aggregate Principal payment of ₹ 5,93,000 /- and Interest of ₹ 40,38,064 /- was unclaimed by the investors as on 31st March 2025. Reminders have been sent to the NCD holders to claim the same.

Commercial Paper

As on 31st March 2025, the Company had Commercial Paper ("CPs") with an outstanding amount (face value) of ₹ 2,153 crore. CPs constituted approximately 2.09% of the outstanding borrowings as on 31st March 2025. The CPs of the Company are listed on the debt market segment of the National Stock Exchange of India Limited.

Borrowings

In order to expand the business of the Company and to cater the enhanced budgeted disbursements, the Board of Directors of the Company have subject to the approval of the shareholders of the Company, approved increase in the overall borrowing limit from ₹ 1,30,000 crore to ₹ 1,50,000 crore.

The Company had outstanding borrowings (excluding securitisation and TREPS) of ₹ 1,03,189.24 crore as on 31st March 2025, breakup of which is given as under:

Particulars	Fixed Deposits	Bank Loans (TL/ OD/CC/ WCDL)	Non-Convertible Securities (Privately placed & Public NCD)	Subordinate Debt (Privately placed & Public NCD)	Commercial Paper	ICD	External Commercial Borrowing	Total
Amount in crore (₹)	11,404.15	52,998.12	24,051.35	5,529.57	2,153.48	30.48	7,022.09	1,03,189.24
% to aggregate outstanding borrowings (excluding securitisation and TREPS)	11.05	51.36	23.30	5.36	2.09	0.03	6.81	100.00

Figures are as per reported Ind AS financial statements.

Credit Ratings

Your Company enjoys highest rating for its long-term and short-term borrowing programmes from all the credit rating agencies that it works with. Your Company has been rated by CRISIL Ratings Limited ("CRISIL") & India Ratings and Research Private Limited ("India Ratings") for its Non-Convertible Debentures program, Commercial Papers, Banking Facilities & Fixed Deposits. Further, CARE Ratings Limited ("CARE") and Brickwork Ratings India Pvt. Ltd. ("BWR") has rated your Company for the Non-Convertible Debentures program. These rating agencies have re-affirmed the highest credit rating for your Company's short-term & long-term borrowing instruments. Your Company believes that its credit ratings and strong brand equity enables it to borrow funds at competitive rates. The details of ratings are given in the Corporate Governance Report, forming part of this Annual Report.

Capital Adequacy

As on 31st March 2025, the Capital to Risk Assets Ratio ("CRAR") of your Company was 18.33% which is well above the minimum requirement of 15% CRAR prescribed by the Reserve Bank of India.

Out of the above, Tier I capital adequacy ratio stood at 15.25% and Tier II capital adequacy ratio stood at 3.08% respectively.

Share Capital

The issued, subscribed and paid-up Equity Share Capital as on 31st March 2025 was ₹ 247.1 crore, consisting of 123,55,29,920 Equity Shares of the face value of ₹ 2 each, fully paid-up.

There was no change in the issued, subscribed and paid-up share capital during the year under review.

As on 31st March 2025, none of the Directors of the Company hold instruments convertible into equity shares of the Company. Details of Restricted Stock units ("RSUs") granted to Executive Directors are given in the Corporate Governance Report forming part of this Annual Report.

Economy

Global Economy

As per the International Monetary Fund, the global economy in CY 2024 navigated a complex landscape shaped by geopolitical shifts, trade fluctuations, and inflationary trends. The El Nino phenomenon significantly impacted economic stability, causing droughts, floods, and disruptions to marine ecosystems, affecting agriculture, infrastructure, and the fishing industry while increasing inflationary pressures. Oil prices remained volatile, initially rising due to geopolitical tensions and positive macroeconomic trends but later declining amid bearish sentiment, economic concerns, and easing supply risks. Moreover, global trade faced disruptions as Red Sea attacks reduced Suez Canal traffic, while Panama Canal drought-driven restrictions slowed shipments across the world. Global growth is expected moderate from 3.3% in 2024 to 2.8% in 2025, and projected to stabilise at 3.0% in 2026. Supply chain vulnerabilities prompted businesses and governments to reassess trade dependencies and implement strategic measures. Inflation is expected to ease from 5.7% in 2024 to 4.3% in 2025 and 3.6% in 2026, remained a concern, influencing cautious monetary policies. Rising trade tensions, including new tariffs and retaliatory actions, could introduce uncertainties, impacting inflation and economic momentum. However, economies are expected to leverage innovation, sustainability efforts, and policy interventions to maintain long-term stability in future.

Domestic Economy

India remained one of the fastest-growing major economies as strong domestic demand, structural reforms, and supportive policies drove its expansion. The country surpassed the UK to become the world's fifth-largest economy, with steady growth supported by manufacturing expansion, a robust services sector, and increased infrastructure investments. Government initiatives, such as digital transformation and financial inclusion, strengthened domestic manufacturing and attracted foreign direct investment. Despite global uncertainties, geopolitical tensions, and inflationary pressures slowing growth in FY2025, the economy is expected to reach 6.5% in FY2026 as per the RBI Monetary Policy Report (April-2025). However, with the inflationary pressures easing, the Reserve Bank of India reduced the repo rate to 6.00% in April 2025. While global risks persist, India's economic outlook remains strong, reinforcing its position as a leading global economic powerhouse.

Management Discussion and Analysis

In accordance with the applicable provisions of the Master Direction- Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Report.

Corporate Governance

Your Company practices a culture that is built on core values and ethical governance practices. Your Company is committed to Integrity and transparency in all its dealings and places high emphasis on business ethics. The Board of your Company exercises its fiduciary responsibilities in the widest sense of term and endeavours to enhance long-term shareholder value. Company's disclosure regime is aimed at achieving best practices, globally.

A Report on Corporate Governance along with a Certificate from M/s. KSR & Co, Company Secretaries LLP, Secretarial Auditor, certifying compliance with the conditions of Corporate Governance forms part of this Report.

Ethics Framework

The Ethics & Corporate Governance framework is anchored by clearly defined policies and procedures, covering areas such as Anti-Bribery and Anti-Corruption Policy ("ABAC"), Policy on Gifts & Entertainment ("G&E"), Policy on Prevention of Sexual Harassment at Workplace ("POSH"), Whistle-Blower Policy ("WB") to ensure robust Corporate Governance.

New joiners are mandatorily required to undertake e-learning modules on the Company's Code of Conduct ("COC"), POSH and ABAC. In addition to this, an Annual Compliance Declaration Module on COC is mandated for all the employees.

The Code of Conduct and all the Company's policies are accessible on the Company's website; in the Governance section at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies .

The Code of Conduct Committee and the Audit Committee ensures that the areas of Ethics & Governance framework are executed effectively and the decisions on substantiated cases are taken in a fair, just and consistent manner across business.

Investor Relations

During the current year, your Company has met multiple investors and analysts-both domestic and international. These sessions were undertaken through a mix of one-on-one or group meetings. Your Company also participated in multiple domestic conferences organised by reputed broking houses, in addition to accessing overseas investors through Non-Deal Roadshows ("NDRs"). Having meetings in virtual format (through conference calls and video conferencing) enabled accessing a larger investor base.

Your Company holds quarterly and annual earnings calls through structured conference calls and/or web-links, details of which are made available to public through the Company's website and stock exchange(s).

During these meetings/ earnings calls, the interactions are based on generally available information accessible to the public in a non-discriminatory manner. No unpublished price sensitive information is shared during such meetings. Your Company believes in transparent communication and have been voluntarily disclosing critical information regarding Company's performance through monthly/quarterly updates.

Silent period

As a good governance practice, your Company voluntarily observes a 'Silent / Quiet period' starting from 1st day of the start of the month after the end of the quarter for which the financial results are to be announced till the time of announcement of said results. During this period, no meetings with investors/analysts/funds are held to discuss unpublished financial performance of the Company to ensure protection of the Company's Unpublished Price Sensitive Information ("UPSI").

Consolidated Financial Statements

The Consolidated Financial Statements of your Company, its subsidiaries, associate/joint venture for FY2025, prepared in accordance with the relevant provisions of the Companies Act, 2013 ("the Act") and applicable Indian Accounting Standards along with all relevant documents and the Auditors' Report form part of this Annual Report.

Pursuant to the provisions of Section 136 of the Act, the Standalone and Consolidated Financial Statements of the Company, along with relevant documents and financial statement of each of the subsidiaries of the Company are available on the website of the Company and can be accessed at the web-link: https://www.mahindrafinance.com/investor-relations/financial-information .

Subsidiaries, Joint Venture(s) and Associate(s)

A report on the performance and financial position of each of the Company's subsidiaries, associate/ joint venture is included in the Consolidated Financial Statements and the salient features of their financial statements and their contribution to overall performance of the Company as required under Section 129(3) of the Companies Act, 2013 ("the Act") read with Rule 8(1) of the Companies (Accounts) Rules, 2014, is provided in Form AOC-1, annexed as **'Annexure A'** to the Consolidated Financial Statements and forms part of this Annual Report.

Material Subsidiary

Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") defines a "material subsidiary" to mean a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Mahindra Rural Housing Finance Limited ("MRHFL") which was a material subsidiary of the Company up to year ended 31st March 2024, did not meet the criteria for material subsidiary as stated in regulation 16(1)(c) of the Listing Regulations for FY2025 and accordingly MRHFL ceased to be a Material subsidiary of the Company for FY2025.

Your Company does not have any Material Subsidiary for the Financial year ended 31st March 2025.

Operational and performance highlights of the Company's Subsidiary/Joint venture Companies for FY2025 are given hereunder:

Mahindra Rural Housing Finance Limited

Mahindra Rural Housing Finance Limited ("MRHFL"), the Company's subsidiary, engaged in the business of providing loans for purchase, renovation and construction of homes to individuals in the low and middle income category of the country, registered a total income of ₹ 1,196.70 crore as compared to ₹ 1,294.44 crore for the previous year, decrease of 7.55 % over the previous financial year. Loss Before Tax stood at ₹ 304.58 crore as compared to profit before tax of ₹ 4.84 crore for the previous year. Loss After Tax stood at ₹ 227.94 crore as compared to profit after tax of ₹ 3.60 crore in the previous year. Company is making strategic efforts to drive enhanced operational efficiencies.

During the year under review, MRHFL disbursed loans aggregating to ₹ 2,023 crore serving more than 12,600 households as against ₹ 2,071 crore in the previous year. MRHFL is expanding its footprint in affordable housing.

Mahindra Insurance Brokers Limited

Mahindra Insurance Brokers Limited ("MIBL"), wholly owned subsidiary of the Company (effective 22nd September 2023) is engaged in the business of Direct and Re-insurance Broking.

During the year under review, there was growth of 4.03% in Gross Premium facilitated for the Corporate and Retail business lines, increasing from ₹ 4,555.86 crore in FY2024 to ₹ 4,739.27 crore in FY2025. The Total Income increased by 13.21% from ₹ 1,094.95 crore in FY2024 to ₹ 1,239.59 crore in the FY2025. The Profit Before Tax decreased by 26.02% from ₹ 167.50 crore to ₹ 123.92 crore and the Profit After Tax decreased by 28.12% from ₹ 123.52 crore to ₹ 88.78 crore during the same period.

Mahindra Manulife Investment Management Private Limited

Mahindra Manulife Investment Management Private Limited ("MMIMPL") acts as an Investment Manager for the schemes of Mahindra Manulife Mutual Fund ("Mutual Fund"). As on 31st March 2025, MMIMPL was acting as the investment manager to 24 schemes of the Mutual Fund. The average Assets Under Management in these 24 schemes rose to ₹ 27,090 crore as on 31st March 2025 as compared to ₹ 19,659 crore as on 31st March 2024, delivering a growth of 38% in assets. Of these assets, ₹ 24,441 crore were in equity and hybrid schemes in March 2025, as compared to ₹ 17,613 crore in March 2024, a growth of 38.77%. MMIMPL has empaneled 34,439 distributors and now has 14,06,485 investor accounts in these 24 schemes.

During the year under review, the total income of MMIMPL was ₹ 87.71 crore as compared to ₹ 63.54 crore for the previous year. The operations for the year under consideration have resulted in a loss of ₹ 10.06 crore as against a loss of ₹ 27.27 crore during the previous year. MMIMPL plans to reduce losses through focus on consistent fund performance, sales strategy aimed to build market share with key distributors, and prudent cost management. Additionally, MMIMPL plans to enhance product suite by launching 2-3 new funds during FY2026 to enable solutions across the risk reward spectrum.

Mahindra Manulife Trustee Private Limited

Mahindra Manulife Trustee Private Limited ("MMTPL") acts as the Trustee to Mahindra Manulife Mutual Fund ("Mutual Fund").

During the year, MMTPL earned trusteeship fees of ₹ 99.14 lakhs and other income of ₹ 14.62 lakhs as compared to ₹ 107.03 lakhs and ₹ 10.29 lakhs, respectively, for the previous year. MMTPL recorded a profit of ₹ 61.82 lakhs for the year under review as compared to profit of ₹ 59.72 lakhs in the previous year.

Mahindra Ideal Finance Limited (Sri Lanka)

Your Company holds a 58.2% stake in Mahindra Ideal Finance Ltd (Sri Lanka) {"MIFL"} with a total investment of ₹ 77.97 crore. Leveraging Mahindra Finance's expertise of over 30 years in the financial services sector and the local management's expertise of the domestic market, MIFL is poised to build a leading financial services business in Sri Lanka.

With improving economic and business environment witnessed in Sri Lanka, MIFL recorded significant rebound in its business activities. The disbursement in vehicle lending business in FY2025 was LKR 8.8 Bn, a growth of 212% over FY2024. The Gold loan disbursements clocked 20.1 Bn, an increase of 82% over FY2024.

As at 31st March 2025, the Company's GS3 level dropped to 1.86%, which is industry leading in the context of the Sri Lankan market. The Company achieved year-round collection efficiency of more than 100% in FY2025.

MIFL's total income for the FY25 was Srilankan rupee ("LKR") 2,741 Mn vs LKR 2,309 Mn of FY2024. Profit Before Tax (PBT) in FY2025 was LKR 434 Mn, an increase of 30% over FY2024 PBT of LKR 334 Mn. and Profit After Tax (PAT) in FY2025 was LKR 146 Mn, a growth 42% over FY2024 PAT of LKR 103 Mn. MIFL continued investments in increasing its reach to grow the business. The branch network grew to 35 branches, an addition of 5 branches in FY2025, covering the length and breadth of the country. Investments were made in IT also to enhance the customer and user experience.

Mahindra Finance CSR Foundation

Mahindra Finance CSR Foundation was incorporated on 2nd April 2019 as a wholly owned subsidiary of Company registered under Section 8 of the Companies Act, 2013 to promote and support CSR projects and activities of the Company and its group Companies.

The foundation has obtained Registration under Section 12AA and Section 80G of the Income Tax Act, 1961 and CSR Registration Number.

Joint Venture/Associate

Mahindra Finance USA LLC ["MFUSA"]

MFUSA's retail and dealer disbursement registered a decrease of 12.39% to USD 803.93 million for the year ended 31st March 2025 as compared to USD 917.58 million for the previous year.

Total Income increased by 5.55% to USD 82.16 million for the year ended 31st March 2025 as compared to USD 77.84 million for the previous year. Profit before tax was relatively flat at USD 22.67 million as compared to USD 22.86 million for the previous year. Profit after tax decreased by 1.61% to USD 16.93 million as compared to USD 17.21 million in the previous year.

Changes in Subsidiaries, Joint Venture or Associate Companies during the year

During the year under review, there were no changes in the Company's Subsidiaries, Joint Venture/ Associate Companies.

Fixed Deposits and Loans/ Advances

Your Company offers a wide range of Fixed Deposit schemes that cater to the investment needs of various classes of investors. These Deposits carry attractive interest rates with superior service enabled by robust processes and technology. In order to tap rural and semi-urban savings, your Company continues to expand its network and make its presence felt in the most remote areas of the country.

During the year, CRISIL and India Care Ratings Private Limited (FITCH) have reaffirmed a rating of 'CRISIL AAA/Stable' and 'IND AAA/Stable' respectively. your Company's Fixed Deposit program which represents highest degree of safety and security of principal as well as timely payment of interest. Your Company's Deposits continue to be a preferred investment avenue amongst the investors.

Mahindra Finance accepts deposits from both retail and corporate investors. During the year, your Company has mobilized funds to the tune of ₹ 6,620.13 Crore from fixed deposits. The consolidated deposit book of Mahindra Finance stood at ₹ 10,926.45 Crore as on 31st March 2025, with an investor base of over 1,01,324 investors.

Digital initiatives

Your Company continues to take rapid strides in improving its digital footprint and enabling an end-to-end paperless process. Your Company has launched Mahindra Finance Customer App enabling customer to enjoy multiple services and products from Mahindra Finance under one platform.

Your Company continues to serve the investors by introducing several customer centric measures on an ongoing basis to further strengthen its processes in sync with the requirements of the Fixed Deposit ("FD") holders. Your Company periodically sends various intimations via SMS, e-mails, post, courier etc., to its investors as well as sends reminder emails to clients whose TDS is liable to be deducted before any payout/accrual. Your Company also provides a digital platform for online application/ renewal of deposits, online generation of TDS certificates from customer/ broker portal and seamless investment process for its employees.

Your Company has rolled out several customer centric and technological initiatives aimed at offering a superior experience to fixed deposit holders. Some key ones include:

- Empowering customers to on board and avail servicing through Mahindra Finance Customer App.
- Improved customer experience by introducing Digi-locker based KYC verification to increase coverage of digital on boarding.
- Introduced partial renewal of FD to reduce the hassle of rebooking for our customers.
- Developed and integrated UPI intent flow to reduce the chances for payment failures.

With respect to Fixed Deposits accepted by the Company there has been no default in repayment of principal or interest on fixed deposit during the year under review.

Your Company being a Non-Banking Financial Company the disclosures required as per Rule 8(5)(v) and (vi) of the Companies (Accounts) Rules, 2014 read with Sections 73 and 74 of the Companies Act, 2013, are not applicable to it.

The information pursuant to Clause 35(1) of Master Direction DNBR.PD.002/03.10.119/2016-17 dated 25th August 2016 issued by the Reserve Bank of India on Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 ("NBFC Regulations"), regarding unpaid/unclaimed public deposits as on 31st March 2025, is furnished below:

i. Total number of accounts of Public Deposits of the Company which have not been claimed by the depositors after the date on which the deposit became due for repayment: 3434.

ii. Total amounts due under such accounts remaining unclaimed beyond the dates referred to in clause (i) as aforesaid: ₹ 3.81 crore.

Reminders are being sent to the Depositors to claim their unclaimed amounts. Measures taken by the Company to reduce unclaimed amount include penny drop testing, reaching out investors through SMS/ Calls/ Email/Physical Letters, assisting nominees, legal heir on claim settlement process. Company is continuously improving and evolving its operational practices to reduce the unclaimed amounts pertaining to Fixed Deposits.

Transfer of Unclaimed amounts pertaining to Fixed Deposits to IEPF:

Pursuant to Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules") as amended from time to time, matured Deposits remaining unclaimed for a period of seven years from the date they became due for payment are required to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, interest accrued on the deposits which remain unclaimed for a period of seven years from the date of payment are also required to be transferred to the IEPF under Section 125(2)(k) of the Companies Act, 2013.

The Company, during FY2025 has transferred to the IEPF an amount of ₹ 0.35 crore being the unclaimed amount of matured fixed deposits and ₹ 0.05 crore towards unclaimed/unpaid interest accrued on the Deposits. The concerned depositor can claim the Deposit and/or interest from the IEPF by following the procedure laid down in the IEPF Rules.

Loans and Advances

During the year under review, the Company has not given any loans and advances in the nature of loans to its Directors or subsidiaries or associate or to firms/ companies in which Directors are interested and no such transactions were outstanding during the year.

Disclosure on transaction with Mahindra and Mahindra Limited (Promoter) holding 52.16% in the Company, as on 31st March 2025, and other Promoter Group Companies, is provided in note no. 51 of Audited Standalone Financial Statements for year ended 31st March 2025.

Accordingly, the disclosure of particulars of loans/ advances, etc., as required to be furnished in the Annual Accounts of the Company pursuant to Regulation 34[3] and 53(1)(f) read with paragraph A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

Particulars of Loans, Guarantees or Investments in Securities

Your Company, being an NBFC registered with RBI and engaged in the business of giving loans in ordinary course of its business, is exempt from complying with the provisions of Section 186 of the Companies Act, 2013 ("the Act") with respect to loans.

Pursuant to the provisions of Section 186(4) of the Act, details with regard to the investments made by the Company, as applicable, are given in Note no. 51 (iv) of the Standalone financial statements, forming part of this Annual Report.

Achievements

Awards/Recognitions received by your Company during the year are enumerated hereunder:

CSR

- Honoured with the Best CSR Initiative & Best Financial Inclusion Initiative Award at the prestigious DNA Awards 2024.
- Mahindra Finance's 'Swabhimaan' initiative was honoured with the CSR Project of the Year Award 2023-24 at the India CSR Summit & Awards.

Human Resources

- Awarded for its 'Transformational Leadership Development Program' in the category of 'Best Learning & Development Program of the Year- NBFC/HFC/MFI' at the ETBFSI Exceller Awards 2024.
- Recognised as one of the best workplaces in the categories of 'Top rated large Company' & 'Top rated financial services Company' at the AmbitionBox Employee Choice Awards 2024.
- Awarded "Jombay's WOW Workplace Award 2025" for out commitment to building an inspiring, employee-first workplace.
- Recognised as the 'Best NBFC in Talent & Workforce' at the 29th Edition of Best Banks and NBFCs Awards organised by Business Today.

Marketing

- Awarded for content film 'Main Sambhaal Lungi' in the category of Community Connect at the e4m Do Good Awards.
- Won the 'Location-Based Marketing Campaign of the Year' award at the e4m Indian Digital Marketing Awards 2024.

Sustainability

- Ranked 1st at BW Business World India's Most Sustainable Companies 2024 in the Financial Services and Insurance Sector.
- Won the Gold Award for Education and Skills Development and won the Bronze Award for Environmental Sustainability' at the ACEF Asian Business Leaders Awards 2024.
- Mahindra Finance has increased its Dow Jones Sustainability Index (DJSI) score to '50' becoming best-in-class for listed NBFCs in India.

Employee Stock Option Scheme- 2010 and Restricted Stock Unit Plan- 2023

With a view to continue the practice of rewarding performance of the employees, creating ownership culture and to retain, motivate and attract talent in light of growing business your Company has adopted Restricted Stock Unit Plan namely 'Mahindra and Mahindra Financial Services Limited-Restricted Stock Unit Plan 2023' ("MMFSL RSU Plan-2023") and Mahindra & Mahindra Financial Services Limited Employees' Stock Option Scheme-2010 ("2010 Scheme").

During the year under review, your Company granted 6,49,326 Restricted Stock Units ("RSU's") to the eligible employees under MMFSL- RSU Plan 2023. No options were granted under the Mahindra & Mahindra Financial Services Limited Employees' Stock Option Scheme-2010 ("2010 Scheme").

The Company does not have any scheme to fund its employees to purchase the shares of the Company.

The 2010 Scheme and the MMFSL RSU Plan - 2023 of the Company is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEBSE Regulations") and there were no amendments to the aforesaid Scheme and Plan during FY2025. A Certificate from M/s. KSR & Co, Company Secretaries, LLP, Secretarial Auditor of the Company for FY2025, certifying that the Company's above-mentioned Scheme and Plan have been implemented in accordance with the SBEBSE Regulations and the resolution passed by the Members, would be made available for inspection by the Members through electronic mode at the Annual General Meeting ("AGM") scheduled to be held on 22nd July 2025.

The applicable disclosures as stipulated under SBEBSE Regulations for the year ended 31st March 2025, with regards to the 2010 Scheme, MMFSL RSU Plan 2023 and Company's stock option trust is uploaded on the Company's website and can be accessed at the web-link: https://www.mahindrafinance.com/investor-relations/financial-information#annual-reports .

In terms of regulation 46(2)(za) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has uploaded 2010 Scheme and MMFSL RSU Plan-2023 on its website and the same can be accessed at https://www.mahindrafinance.com/investor-relations/disclosures-under-regulation-46-and-62-of-sebi-lodr

Environment, Social and Governance

Sustainability Vision

Mahindra Finance has established its sustainability mission through a board-approved sustainability policy that builds on the Mahindra Rise principles of '**Rise for a More Equal World'**, 'Rise to Be Future Ready' and 'Rise to Create Value'. The focus of FY2025 was to lay the brickwork for long-term initiatives aligned to the above three principles while building capacity of internal stakeholders to integrate sustainability practices into the business operations. The priority areas for sustainability integration into the business ethos was climate change, innovative energy transition, inclusive policies, and stakeholder engagement.

Climate Change

Climate change management at Mahindra Finance has a two-pronged approach - (1) protection of Mahindra Finance assets and offices from increased probability of extreme climate events and (2) reduction of the carbon footprint across the value chain.

1) Mahindra Finance undertook a climate change scenario analysis for the 1350+ offices of the company to understand impact from extreme climate events (flood, drought and cyclonic events) in a worst-case scenario. The results of the scenario analysis were published in the previous Integrated Report and a comprehensive climate action plan was developed in-house for offices in highly prone areas. The action plan defines processes for stabilizing existing office structures, creating early warning systems for climate hazards, establishing disaster management infrastructure and integrating climate hazard risk in the audit checklists for new facilities and periodic audits.

   Mahindra Finance has also initiated a study to map the existing vehicle and tractor financing portfolio with climate hazard prone areas. The pilot study will be integrated into the FY2026 climate strategy to de-risk the company from increased cases of default and non-performing assets due to extreme climate events. The pilot study will then be rolled out for other business verticals of Mahindra Finance.

2) The long-term targets for reduction of the carbon footprint across the value chain was declared through Science Based Targets Initiative (SBTi) in FY2023 and defined in the previous Integrated Report. The targets focus on a 50.4% reduction in direct emissions (Scope 1) and indirect emissions (Scope 2) as of FY2032 compared to the baseline values determined in FY2023. The targets also include a 58.1% reduction in indirect emissions (Scope 3) across the same timeline for specific activities in the value chain - purchased goods and services, business travel, employee commute, waste generation, and purchased capital goods. Sustainability initiatives in FY2025 focused primarily on waste reduction through 100% recycling of waste streams and energy transition that has resulted in a ~20% reduction of energy usage compared to FY2023 baseline values. The efforts have resulted in a net reduction of absolute scope emissions (scope 1-3) by 11,300+ tonnes CO_2 compared to previous year.

Innovative Energy Transition

Mahindra Finance has built on the energy reduction initiatives that had been commissioned in FY2023 including 100% conversion to light emitting diodes (L.E.D.), procurement of 5* energy saving air conditioners, solar-powered air conditioners, and installation of brushless DC motor (BLDC) fans. A pilot program for the purchase of green energy at the Mahindra Finance corporate office in Kurla, Mumbai was initiated in November 2024 with intentions to expand across other Mahindra Finance offices in locations where the regulatory landscape permits the purchase of green tariffs. The above energy initiatives have contributed to reduced energy costs, reduced emissions from purchase of grid-based energy (Scope 2) and use of newer safer technology in active office buildings.

Inclusive Policies

Mahindra Finance announced its membership to the United Nations Global Compact (UNGC) in FY2024 to show its commitment to human rights, good working conditions and ethical practices in the workplace. In FY2025, a Human Rights Due Diligence (HRDD) study was commissioned to evaluate the human rights policies and procedures, conduct consultations with employees across levels to determine on-ground implementation of these procedures, review efficacy of data privacy programs and extension of the above to major suppliers in the value chain. The results of the study will be implemented in FY2026 to strengthen the human rights process across the Mahindra Finance value chain.

Training programs on the human rights topics was expanded to the entire workforce in FY2025 including the incorporation of these topics in the employee induction and refresher programs. Diversity, equity & inclusion (DE&I) programs were expanded in FY2025 to include impactful gender representation initiatives, localized Employee Resource Groups (ERGs), progressive policies fostering workplace equity, and focused employee sensitization efforts to promote an inclusive culture.

Looking Forward to FY2026 on Sustainability

The focus of FY2026 is to build on sustainability initiatives that have commissioned in FY2025 and to better integrate sustainability into the business operations. A dedicated sustainability department has been created in FY2025 to ensure adequate allocation of resources for the long-term sustainability vision and to increase senior management oversight on the topic. The mandate of the CSR board sub-committee has been expanded in the latter half of FY2025 to incorporate updates on the sustainability performance of the company and to approve sustainability policies and procedures. Operational committees with key departments including HR, risk and finance are being formulated in FY2026 to ensure integration of sustainability topics in day-to-day management. The process of integrating Environment, Social and Governance (ESG) risk management into the business loan cycle is being developed to align with global expectations on a sustainable investment strategy.

A big focus of the next financial year is to align with the Mahindra Rise commitment of "Making Sustainability Personal" by creating training and capacity building programs for internal and external stakeholders to better understand and integrate sustainability in business as usual. Standard Operating Procedures ('SOPs') and digital tools are being evaluated to standardize sustainability reporting methodologies and ease the process of data gathering and reporting. Training programs are being developed in parallel for department heads to understand global trends in sustainability and to be able to efficiently integrate the topic in their functional responsibilities on a day-to-day basis.

Social Initiatives - Diversity, Equity, and Inclusion ("DE&I")

Diversity, Equity, and Inclusion (DE&I) remain central to Mahindra Finance's vision of fostering a workplace that values and empowers every individual. In FY2025, focused efforts were made to address gender gaps, promote equity, and embed inclusive practices across the organization, with a commitment to continued progress in the years ahead.

- **Empowering Women:**

  Initiatives like Prarambh provided specialized training to women from Tier III and Tier IV cities, resulting in over 150 hires in frontline roles. The SOAR Program enabled women professionals to return to impactful roles after career breaks with support enabled through carefully crafted mechanisms. Focused recruitment drives across 50+ locations introduced diverse talent into key positions across branches.

- **Progressive Policies:**

  Policies such as maternity transition support, IVF reimbursement, menstrual wellness, caregiving assistance, and gig working opportunities were enhanced to create equitable opportunities and address the evolving needs of the workforce.

- **Fostering inclusion:**

  Inclusion-focused programs like MWoW (Mahindra Finance World of Women) established 7 regional ERGs to address hyper-local challenges and create platforms for growth and engagement. Initiatives like Perspective Building, Spectrum'24 - Inclusion Week, which engaged over 5,000 employees, and sensitization workshops such as Beat the Bias, Leading as an Ally, drove awareness and allyship across teams.

- **Recognition and Future focus:**

  Mahindra Finance was awarded the Mahindra Group Rise Award for its DE&I efforts. Participation in forums and thought leadership platforms reinforced the organization's commitment to driving systemic change and fostering inclusive growth.

  Looking ahead, DE&I will continue to be a key focus area, with plans to scale initiatives, deepen impact, and build a workplace that reflects Mahindra Finance's purpose-driven approach to empowering lives and communities.

Stakeholder Engagement

A stakeholder engagement program has been defined and disclosed in the previous Integrated Reports. During FY2025, the stakeholder engagement program focused on two stakeholder groups namely, local communities and customer interface teams.

Mahindra Finance understands the importance of effectively managing the customers and provide a seamless experience. To address this the Company has undertaken strong steps in call centre management, which is now available 365 days (except national holidays) and serves 10 different languages. Your Company has also undertaken skill upgradation training programs for customer facing staffs to help address queries seamlessly. A dedicated centralised resolution team has also been created to provide bureau related concerns with less turnaround time. Through these initiatives, your Company aims to increase the customer satisfaction index and address customer queries in a shorter period of time.

Business Responsibility and Sustainability Report

Your Company continued to uphold a high standard of regulatory compliance and transparency through disclosure of sustainability initiatives in the public domain. In compliance with Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has disclosed its Business Responsibility and Sustainability Report ("BRSR") for the previous two financial years as part of its Integrated Report ("IR"). Your Company has increasingly disclosed data on 'leadership indicators' in BRSR over the last three years and is currently reporting on all leadership parameters defined in the nine principles of 'BRSR Section C Principle Wise Performance Disclosure.'

Your Company subscribes to the Dow Jones Sustainability Index ("DJSI") program where it has achieved a score of '50' in FY2024 that is best-in-class when compared to other listed NBFCs in India.

Governance

Your Company's sustainability team has followed two environmental and social (E&S) scorecard methodologies in FY2025 - risk management and outcome-based performance matrices. The E&S risk management scorecard has been integrated into the Internal Capacity Adequacy Assessment Process (ICAAP) with modules related to ESG policy, sustainability roadmap, exclusion list principles, carbon reduction, energy transition, climate transition risk management and audit scope parameters. Additionally, a business scorecard is developed for the sustainability team that focuses on scope emission reduction targets, supply chain engagement and Mahindra Group collaboration. The score from the above processes is also integrated into the CXO compensation matrix for the financial year to ensure senior management oversight on sustainability issues.

Your Company engages with the larger Mahindra Group resources through a quarterly 'Sustainability Council' where challenges and opportunities across the group are discussed and commonalities are jointly addressed. The Sustainability Council also provides an opportunity for cross-training of sustainability personnel and sharing of case studies. An independent agency within Mahindra Group - Mahindra Institute of Quality (MIQ), independently reviews the performance of Mahindra Finance sustainability policies and procedures.

Integrated Reporting

Your Company is pleased to present its holistic performance for FY2025, in the Integrated Report of the Company. This report includes details such as the organisation's strategy, governance framework, performance and prospects of value creation based on the six capitals- Financial, Manufactured, Intellectual, Human, Social & Relationship and Natural capital.

Corporate Social Responsibility (CSR)

Established in 1991, Mahindra Finance, a leading NBFC is a proud partner of India's growth, taking financial services to the farthest corners of the country. We are continually adapting to the evolving needs of our customers, leveraging technology and our strategic partnerships to widen the ambit of and access to financial services while remaining committed to our social responsibility. Led by our #TogetherWeRise ethos, we build abiding relationships of trust with our communities and strives to become an asset in the communities where we operate. Your Company's Corporate Social Responsibility (CSR) initiatives focus on areas, namely Education & Livelihood, Healthcare and Environment. We believe in providing opportunities to the underprivileged communities to enable them to rise by designing the areas of interventions that are aligned with the Company's purpose to drive positive change in the lives of our communities. Together, we are paving the way for a brighter tomorrow for all.

1. CSR Committee

Your Company has duly constituted a CSR Committee in accordance with Section 135 of the Companies Act, 2013 to assist the Board and the Company in fulfilling the corporate social responsibility objectives of the Company. The Committee presently comprises of the following Directors as on 31st March 2025:

Name	Category
Mr. Diwakar Gupta (Chairperson)*	Independent Director
Mr. Vijay Kumar Sharma**	Independent Director
Mr. Raul Rebello***	Managing Director & CEO

* Mr. Dhananjay Mungale ceased to be member and the Chairperson of the CSR Committee with effect from 23rd July 2024. Mr. Diwakar Gupta was appointed as the member and the Chairperson of the Committee with effect from 24th July 2024.

** Mrs. Rama Bijapurkar ceased to be member of the CSR Committee with effect from 23rd July 2024. Mr. Vijay Kumar Sharma was appointed as the member of the Committee with effect from 24th July 2024.

*** Mr. Ramesh Iyer ceased to be member of the Committee upon superannuation with effect from 29th April 2024. Mr. Raul Rebello was inducted as the member of the Committee with effect from 30th April 2024.

- During the year under review, 3 CSR Committee Meetings were held, details of which are provided in the Corporate Governance Report. The CSR Committee inter-alia, reviews and monitors the CSR as well as BRSR activities. During the year under review, the terms of reference of CSR Committee were enhanced to specifically include enhanced review of Environment, Social and Governance aspects ("ESG").

2. CSR Policy

The CSR Policy outlines the approach and guidance provided by the Board, basis recommendation of CSR Committee, for undertaking CSR Projects and lays down the guiding principles for selecting, implementing and monitoring CSR projects including Annual Action Plan. The Policy outlines CSR thrust areas, which align with the Mahindra group core purpose of driving positive change in the lives of the communities. Company endeavors to create social, economic and environmental change by investing in projects that promotes education, skill training, health care, sanitation, environmental sustainability, financial literacy etc.

The CSR Policy including a brief overview of the projects or programs undertaken by the Company can be accessed the same on the website of the Company at:

https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies

3. CSR Initiatives

Key CSR Achievements for FY2025

(i) 'Dhan Samvaad'- CSR Flagship Program

Your Company has launched CSR flagship program "Dhan Samvaad" which addresses a critical need among gig workers and nano, micro-enterprises, who often lack access to formal financial education and digital tools. By bridging this knowledge gap, the initiative aims to foster financial inclusion and enhance the economic resilience of this vital segment of the workforce.

The comprehensive program covers a wide range of topics, including banking basics, savings strategies, e-wallet usage, investment fundamentals, insurance principles, and key government schemes. Through a combination of interactive workshops, online modules, and hands-on training, participants gained practical skills to manage their finances effectively in the digital era.

The program also focused on raising awareness as well as increased linkages about relevant central and state level government schemes for amongst targeted beneficiaries while providing information and hands-on support for using digital tools like Digi Locker.

Dhan Samvaad is a significant effort to empower individuals and small businesses with the financial knowledge necessary for sustainable development. This program played a crucial role in creating a more financially savvy and digitally empowered community, ultimately contributing to India's economic progress. Resources used during the program are aligned with the Reserve Bank of India (RBI)'s Financial Inclusion and Development program.

Major highlights of the Dhan Samvaad program includes,

- Total outreach - 2,07,700+ beneficiaries educated on financial and digital literacy, boosting their digital and financial skills
- 77,800+ of the total outreach (37%) are Women Entrepreneurs: Enabling Women Entrepreneurs
- 1,57,000+ (76%) individuals enhanced digital identity by adopting the Digi Locker app.
- 1,37,000+ (66%) individuals were linked with different Government social security schemes namely PMSBY, PMJJBY, E- Shram Card, Sukanya Samriddhi Yojna, Udyam Registration, Atal Pension Yojana etc.
- Covered 40+ Districts, 7 States reaching diverse communities.

(ii) Saksham Scholarship Project

Saksham Scholarship for underprivileged students is an initiative to provide financial assistance to underprivileged children to support them in continuing their education.

The project believes in empowering the academic and career goals of children by removing the financial barrier. The scholarship is open for students from multiple states across India. Students studying in Classes 1 to 12, graduation, and post-graduation levels are eligible. In FY2025, your Company provided Saksham Scholarship to around 2,960+ scholars.

(iii) E/Auto Rickshaw driving training for women

Your Company continued E/Auto Rickshaw driving training for women. Under this project, eligible women were supported with skill training to drive an auto/ E auto/ Utility vehicle and help them obtain livelihood opportunities. Along with the vehicle driving skills, women were supported to obtain driving licenses. Self-defence skills, interpersonal skills and financial and digital skills were also imparted as part of this project. Further women were encouraged to take to the jobs as chauffeurs and self-employment.

In FY2025, your Company trained 550+ women through this project from Madhya Pradesh, Tamil Nadu and Puducherry. These women received permanent driving license along with Level 4 Skill India Certificate and placement linkages.

(iv) Employability skills training project

This project creates a cadre of workforce with essential employability skills including domain knowledge and soft skills. Provided skill training to youth for BCBF (Business Correspondent & Business Facilitator) and iTES-BPO (Information Technology Enabled Services) and make them job ready and resilient for the future and improve their livelihood.

In FY2025, your Company provided employability skills training to 210+ candidates in Mumbai, Maharashtra along with placement linkages to 170+ candidates.

(v) Nanhi Kali

Project Nanhi Kali provides skills training to girls studying in Grades 6 to 10 thereby helping them to make a smoother transition from school to the workplace.

The program focuses on honing essential skills, encompassing financial literacy, digital skills, soft skills such as critical thinking and communication, and fostering an understanding of gender relations. This will be delivered during school hours.

It also focuses on physical education modules wherein a professionally designed sports education module exclusively for girls gives them an opportunity to participate in regular fitness activities thereby promoting their well-being. The program further helps build leadership skills and teamwork while striving for excellence through sports.

Your Company supported the education of 14,630 Nanhi Kalis from Secondary school (Class 6 to 10) for the academic year 2024-25 across 12 districts from 5 states in India.

(vi) Mahindra Pride Classroom (MPC)

Your Company continued its support to Mahindra Pride Classroom (MPC) project to reach out to marginalised women to create job opportunities in various sectors and enable women to become financially independent and participate actively in the workforce.

Under this program, we conducted minimum 40 hours training for 47,800+ final year female students in classrooms across government/ government aided colleges, polytechnics, industrial training institutions, employer premises etc. to enhance their employability prospects. The modular MPC training program focusses on life, language and aptitude skills. To facilitate students who have been trained in the MPC are placed with organizations working in their core trade/ domain an innovative, tech-enabled job drive, known as 'Job Utsav' is conducted to bring together the best employers and a great talent pool trained under the MPC program.

(vii) Mahindra Pride Skill centers (MPSC)

You Company continued its support to MPSC which are specifically designed to economically empower women through training in domain and employability skills. The major trades covered are ITES, retail, hospitality, BFSI and other sectors. By addressing the unique requirements of the job market and emphasizing the development of both technical and soft skills, the model aims to equip women with the knowledge, skills and confidence needed to succeed in their careers. As part of this initiative, 1,000 women were trained under IT / ITES, retail, coding, hospitality, Tally, IT & GST and 80% of the trained women supported in securing a gainful employment.

(viii) Project Hariyali

With an aim of sustainable environment, your Company promoted plantation of trees which provides green cover as well source of livelihood to farmers/local communities.

In FY2025, your Company planted 77,000 samplings on around 570 farmer's land from 30 villages in two districts in Gujarat. The plantation includes a mix of native and fast-growing species like Teak, Mahagony, Bamboo, Drumstick, Aonala, Mango, Neem etc. which enhance carbon sequestration and improve local biodiversity.

Additionally, it provides income sources for small and marginal farmers through sustainable forestry. Further it engages communities in environmental stewardship and raises awareness about climate change.

Also, your Company supported the maintenance (nurturing and caring) and survival of previously planted saplings in the Financial Year 2023-24 and 2022-23 as part of Project Hariyali in the Araku region, Andhra Pradesh.

(ix) Water Conservation Project

As part of Environmental Sustainability, your Company has been championing the water conservation cause over 3 years in the remote tribal areas of Murbad and Shahapur blocks in Thane district, Maharashtra. Through these consistent efforts, over 8.7 crore litres of water have been conserved, ensuring access to water for household and agriculture purpose, enabling farmers to take multiple crops.

In FY2025, your Company made Investment in sustainable water resource management projects such as construction of 11 Rainwater Harvesting Structures in zilla parishad schools conserving over 0.46 crore Liters of water. Built/repaired 3 check dams and desilting of a Lake, creating potential to save over 2.45 crore liters of water in the surrounding areas. Through this project, we expect to conserve 2.91 crore litres of rainwater for irrigation, ensuring water accessibility round the year for household and farming purpose, thus enabling farmers to take up 2-3 crops in a year and supporting 2,800 beneficiaries.

(x) Project Sehat

In the area of healthcare, your Company organized nationwide blood donation drives in which 4,279+ Blood Units were collected, Pan India. Your Company also conducted 2 health camps, benefiting 300 individuals.

Employees Volunteering

Your Company has consistently fostered a culture of social responsibility by encouraging employees to actively participate in diverse CSR initiatives, driving meaningful change within the community. During the reporting period, over 23,250 employees—an impressive 91% of the workforce—dedicated more than 1,10,600 person-hours to numerous impactful virtual and physical CSR initiatives. These initiatives included life-saving Blood Donation drives, transformative Swachh Bharat campaigns, and empowering programs like Samantar, Sehat, and Gyandeep. Through these efforts, your company has reaffirmed its unwavering commitment to creating a positive and lasting impact on society.

Stakeholder Engagement - In FY2025, your company organized the "Partner Meet" on 11th February 2025, bringing together 28 representatives from 15 implementation partners for a day dedicated to collaboration, networking, and knowledge sharing. This impactful stakeholder engagement provided an invaluable opportunity to strengthen partnerships, interact with senior management, and exchange best practices among diverse implementation partners, fostering collective growth and innovation.

During the event, your Company celebrated excellence by honoring four of its partners (NGOs) with the prestigious title of "Best CSR Implementation Partners 2025," while extending tokens of appreciation to the remaining partners, acknowledging their remarkable contributions. Furthermore, the meet featured a capacity-building workshop on "Appreciative Inquiry - A Tool for Personal and Organizational Effectiveness," equipping attendees with transformative strategies to enhance their impact. This initiative underscores your company's unwavering commitment to driving meaningful collaboration and empowering its partners to achieve greater success in CSR implementation.

4. CSR Spend

As per the provisions of Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"), the mandatory CSR spend of the Company for FY2025 was ₹ 34.58 Crore against which your Company has spent ₹ 34.61 Crore during the year. Your Company has fully spent unspent CSR amount of FY 2024 towards ongoing program on Financial & Digital Literacy Project., details whereby are given in **"Annexure I"** of this report.

Further, in terms of the CSR Rules, the Chief Financial Officer of the Company has certified that the funds disbursed have utilised for the purpose and in the manner approved by the Board for FY2025.

5. Annual Report on CSR Activities

The Annual Report on the CSR activities undertaken by your Company during the year under review, as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, is set out in **"Annexure I"** of this Report.

6. Impact Assessment of CSR Projects

In compliance with the provisions of Section 135 of the Companies Act 2013 read with sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, impact assessment has been carried out for the following eligible projects:

CSR projects pertaining to FY2022 requiring Impact Assessment

- Nanhi Kali
- Mahindra Pride School & Classrooms
- Women economic empowerment

CSR projects pertaining to FY2023 requiring Impact Assessment

- Swabhimaan

Your Company had engaged independent agencies to carry out the impact assessment for the aforesaid projects. The Executive Summary of the Impact Assessment Reports, with respect to the abovementioned eligible CSR projects of FY2022 and FY2023, is annexed with **"Annexure I"** of this Report and the complete Impact Assessment Report of the applicable projects can be accessed at the web-link https://www.mahindrafinance.com/together-we-rise#csr-reports.

Additionally, your Company has been proactively conducting an impact assessments of the selected CSR projects on a voluntary basis to evaluate the effectiveness. As a testament to its commitment to exemplary corporate governance, the Company also undertakes voluntary financial audits to ensure transparency and accountability.

The executive summary and web-links of impact assessment reports with respect to Company's CSR projects undertaken in FY2024 which meet the prescribed criteria, will be provided once the same are completed.

Cyber Security

Your Company has made significant strides in bolstering organization's cybersecurity framework to safeguard both internal and customer data. In an era where digital threats are increasingly sophisticated, we have prioritized the implementation of robust measures to ensure the integrity, confidentiality, and availability of critical information assets.

To enhance your organization's defence, we have deployed a suite of advanced cybersecurity tools tailored to address current and evolving risks. These include systems to prevent unauthorized data exfiltration, comprehensive threat detection and response mechanisms, real-time monitoring and analysis solutions, protective measures for our online assets, and solutions to secure our mobile endpoints. These tools collectively form a multi-layered shield around our digital infrastructure and processes.

In addition, your Company has established a 24/7 Security Operations Centre (SOC) dedicated to monitoring cybersecurity alerts and responding to incidents immediately to initiate remedial measures.

This ensures that potential threats are identified and mitigated swiftly, minimizing any risk to our operations or data.

Your Company has also significantly improved, organization's vulnerability management process by automating scanning and remediation efforts. By leveraging industry-leading scanning and patching tools, we have streamlined the identification and resolution of vulnerabilities, thereby enhancing our overall security posture.

To validate the effectiveness of these investments, management is also conducting Red Team assessment by an external certified entity. These proactive assessments test your organization's cyber defences under real-world conditions, ensuring that the tools and processes we have implemented deliver the expected resilience and protection.

These enhancements reflect our unwavering commitment to safeguarding the trust placed in us by our customers, partners, and you, our shareholders.

Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with rule 11 and 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in Form No. MGT-7, is available on the Company's website and can be accessed at the web-link https://www.mahindrafinance.com/investor-relations/financial-information#annual-reports .

Board & Its Committees

Board

Your Company recognises and embraces the importance of a diverse Board in its success. The confluence of Directors on the Board with different knowledge and skills, perspective, regional and industry experience, cultural and geographical background ensures that your Company retains its competitive advantage.

As on 31st March 2025, the Board of your Company consisted of 8 Directors comprising of a Non-Executive Chairperson, 1 Executive Director, 2 Non-Executive Non-Independent Directors and 4 Independent Directors, of whom 1 is a woman Director.

Committees constituted by the Board of Directors

The Board Committees are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The details of the Board Committees along with their composition, powers, terms of reference, etc. are given in the Report on Corporate Governance, which forms part of this Annual Report.

Audit Committee

As on 31st March 2025, the Audit Committee comprised of 3 Independent Directors and 1 Non-Executive Non-Independent Director:

Name	Category
Mr. Diwakar Gupta	Chairperson of the Committee (Independent Director)
Mr. Milind Sarwate	Independent Director
Mr. Vijay Kumar Sharma	Independent Director
Mr. Amarjyoti Barua	Non-Executive Non- Independent Director

Changes in Audit Committee Members during FY2025:

- Mr. Dhananjay Mungale, Mrs. Rama Bijapurkar ceased to be Member of the Committee effective 23rd July 2024 and Mr. Chandrashekhar Bhave ceased to be Chairperson and Member(s) of the Committee effective 2nd February 2025; upon completion of their 2nd term as Independent Director(s) of the Company.
- Mr. Diwakar Gupta was appointed as Chairperson of the Committee w.e.f 3rd February 2025.

The composition of Audit Committee is in compliance with the minimum requirement prescribed under the Act, Securities and Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and the Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 of having a minimum of two-thirds of independent directors, including the Chairperson. All members of the Committee are non-executive directors possessing financial literacy, and expertise in accounting or financial management related matters.

During the year under review, 11 Audit Committee Meetings were held. Further, the terms of reference of the Audit Committee were enhanced during the year under review to specifically include review of compliances under RBI directions/ circulars/ guidelines, review of POSH Report and its policy, information security audit/ policy etc. All the recommendations of the Audit Committee were approved and accepted by the Board during the year under review.

Meetings and Postal Ballot

The Board of Directors met 9 times during the year under review i.e., on 23rd April 2024, 4th May 2024, 7th June 2024, 23rd July 2024, 13th September 2024, 22nd October 2024, 28th January 2025, 13th February 2025 and 24th March 2025, as against the statutory requirement of at least four meetings. The requisite quorum was present at all the Board Meetings. The maximum time gap between any two Meetings was not more than one hundred and twenty days. These Meetings were well attended. The 34th AGM of the Company was held on 23rd July 2024 through Video Conference.

During the year under review, no Extraordinary General Meeting ("EGM") of the Members was held and no resolution was passed by the Members through Postal Ballot.

Detailed information on the Meetings of the Board, its Committees, and the AGM is included in the Report on Corporate Governance, which forms part of this Annual Report.

A calendar of all the meetings is prepared and circulated well in advance to the Directors.

Meetings of Independent Directors

The Independent Directors met twice during the year under review, on 24th September 2024 and 24th March 2025. The Meetings were conducted without presence of the Whole-time Director(s), the Non-Executive Non-Independent Directors, Chief Financial Officer or any other Management Personnel to enable the Independent Directors to discuss matters pertaining to, inter-alia, review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company, assess the quality, quantity and timeliness of flow of information between the Company Management & the Board and its Committees and free flow discussion on any matter that is necessary for the Board to effectively and reasonably perform their duties.

Directors and Key Managerial Personnel

Appointment/Re-appointment of Directors during FY2025 and up to the date of this report

- **Re-appointment of Mr. Milind Sarwate (DIN: 00109854) as an Independent Director**

  Basis approval /recommendation of the Nomination and Remuneration Committee ("NRC") and the Board, the members of the Company have at the Annual General Meeting held on 28th July 2023, approved the re-appointment of Milind Sarwate (DIN: 00109854) as Independent Director of the Company for a second term of five consecutive years each, commencing from 1st April 2024 to 31st March 2029 (both days inclusive) not liable to retire by rotation.

- **Appointment of Mr. Raul Rebello (DIN: 10052487) as the Managing Director & CEO**

  Basis recommendation/ approval of NRC and the Board of Directors, the Members of the Company had approved appointment of Mr. Raul Rebello (DIN: 10052487), as the Whole-time Director and KMP designated as Executive Director and MD & CEO-designate with effect from 1st May 2023 to 29th April 2024 (both days inclusive) and as the Managing Director & CEO of your Company with effect from 30th April 2024 up to 30th April 2028 (both days inclusive), liable to retire by rotation.

  Mr. Raul Rebello assumed the position of "Managing Director & CEO" of the Company w.e.f., 30th April 2024, after superannuation of Mr. Ramesh Iyer, Vice-Chairman and Managing Director of the Company effective close of business hours of 29th April 2024.

- **Appointment of Mr. Vijay Kumar Sharma (DIN: 02449088) as an Independent Director**

  Pursuant to the recommendation of the NRC and basis approval of the Board of Directors of the Company, the members of the Company have at the Annual General Meeting held on 23rd July 2024, approved appointment of Mr. Vijay Kumar Sharma (DIN: 02449088) as an Independent Director for a term of 5 consecutive years with effect from 15th May 2024 to 14th May 2029 (both days inclusive), not liable to retire by rotation.

Cessation of Directors

- Upon attaining superannuation, Mr. Ramesh Iyer (DIN: 00220759) ceased to be the Vice-Chairman & Managing Director of your Company effective close of business hours of 29th April 2024.
- Mr. Dhananjay Mungale, (DIN: 00007563) and Mrs. Rama Bijapurkar (DIN: 00001835) ceased to be Independent Director(s) of your Company effective close of business hours of 23rd July 2024, upon completion of their second term of 5 consecutive years each as Independent Director(s) of the Company.
- Mr. Chandrashekhar Bhave (DIN: 00059856) ceased to be the Independent Director of your Company effective close of business hours of 2nd February 2025, upon completion of his second term of 5 consecutive years each as an Independent Director of the Company.

The Board of Directors places on record its deepest appreciation for the exemplary contribution, strategic foresight, innovative thinking, and steadfast commitment to excellence of Mr. Ramesh Iyer, which propelled Mahindra Finance to great heights. The Board is confident that the Company will continue its growth trajectory under the able leadership of Mr. Raul Rebello, Managing Director & CEO.

The Board also places on record its sincere appreciation to the valuable contribution made by Mr. Dhananjay Mungale, Mrs. Rama Bijapurkar and Mr. Chandrashekhar Bhave during their association as Independent Directors.

During the year under review, no Independent Director of your Company resigned from the Company.

Retirement by Rotation

In terms of provisions of Section 152 of the Companies Act, 2013, Mr. Ashwani Ghai (DIN: 09733798), Non-Executive Non-Independent Director is liable to retire by rotation and, being eligible, has offered himself for re-appointment at the 35th Annual General Meeting of the Company scheduled to be held on 22nd July 2025.

Re-appointment of Independent Directors

The first term of Dr. Rebecca Nugent (DIN: 09033085) as an Independent Director of the Company will expire on 4th March 2026. She is eligible and has consented for re-appointment as an Independent Director for a second term of 5 consecutive years. Dr. Nugent has undertaken the online proficiency self-assessment test.

Basis the performance evaluation report, skill sets, experience and substantial contribution made by Dr. Nugent during her 1st term, the Board is of the opinion that Dr. Nugent holds high standards of integrity, expertise and experience (including the proficiency). Basis recommendation of NRC, the Board of Directors have subject to approval of the members of the Company re-appointed Dr. Rebecca Nugent (DIN: 09033085), as an Independent Director of the Company for a second term of 5 consecutive years, w.e.f. 5th March 2026 to 4th March 2031 (both days inclusive), not liable to retire by rotation. The necessary resolution seeking approval of the members of the Company has been incorporated in the Notice of the 35th Annual General Meeting.

Fit and Proper and Non-Disqualification declaration by Directors

All the Directors of the Company have provided annual confirmation that they satisfy the "fit and proper" criteria as prescribed under Chapter XI of RBI Master Direction No. RBI/DoR/2023-24/106 DoR. FIN.REC. No.45/03.10.119/2023-24 dated 19th October 2023, as amended, and that they are not disqualified from being appointed/continuing as Directors in terms of Section 164 (1) and (2) of the Companies Act, 2013.

Declaration by Independent Directors

All the Independent Directors of your Company have given their declarations and confirmation that they fulfil the criteria of Independence as prescribed under Section 149(6) of the Companies Act 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Further, the Board after taking these declarations/ disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors hold highest standards of integrity and possess the relevant proficiency, expertise and experience to qualify and continue as Independent Directors of the Company and are Independent of the Management of the Company.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by Indian Institute of Corporate Affairs, Manesar ('IICA') and the said registration is renewed and active as on the date of this report. Further, the said registration will be renewed, before expiry as applicable, and kept active by the Independent Directors.

The Independent Directors of the Company are either exempted from the requirement to undertake the online proficiency self-assessment test conducted by IICA or have cleared the online proficiency self-assessment test as applicable.

Key Managerial Personnel

The following persons were designated as the Key Managerial Personnel ("KMP") of your Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as on 31st March 2025:

1. Mr. Raul Rebello, Managing Director & CEO
2. Mr. Pradeep Kumar Agrawal, Chief Financial Officer
3. Ms. Brijbala Batwal, Company Secretary

Changes in Key Managerial Personnel

- Mr. Ramesh Iyer ceased to be the Vice-Chairman & Managing Director of your Company on attaining superannuation with effect from close of business hours of 29th April 2024.
- Mr. Raul Rebello ceased to be the Executive Director and MD & CEO Designate with effect from 29th April 2024 and assumed the office of Managing Director & CEO with effect from 30th April 2024.
- Mr. Vivek Karve resigned from the office of Chief Financial Officer and Key Managerial Personnel ("KMP") of the Company with effect from close of business hours of 31st October 2024 to pursue personal, social and professional interest beyond full time employment.
- In compliance with Regulation 26A(2) of the Listing Regulations, Mr. Animesh Chatterjee was appointed as the Chief Financial and KMP, for interim period i.e. from 29th January 2025 till 4th March 2025.
- Mr. Pradeep Kumar Agrawal was appointed as the Chief Financial Officer of the Company effective 5th March 2025.

Directors' Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, ("the Act") your Directors, based on the representations received from the Operating Management and after due enquiry, confirm that:

i. In the preparation of the annual accounts for financial year ended 31st March 2025, the applicable accounting standards have been followed and there are no material departures in adoption of these standards;

ii. They had in consultation with the Statutory Auditors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2025 and of the profit of the Company for the year;

iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. They have prepared the annual accounts for financial year ended 31st March 2025 on a going concern basis;

v. They have laid down adequate internal financial controls to be followed by the Company and that such internal financial controls were operating effectively during the financial year ended 31st March 2025;

vi. They have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended 31st March 2025;

Performance Evaluation of the Board

The Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") stipulate the evaluation of the performance of the Board, its Committees, Individual Directors and the Chairperson.

Your Company has formulated a process for performance evaluation of the Independent Directors, the Board, its Committees and other Individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

An annual performance evaluation exercise was carried out in compliance with the applicable provisions of the Act, Listing Regulations, the Company's Code of Independent Directors and the criteria and methodology of performance evaluation approved by the Nomination and Remuneration Committee ("NRC") comprising of Mr. Diwakar Gupta as the Chairperson and Dr. Anish Shah, Mr. Milind Sarwate and Mr. Vijay Kumar Sharma as its members:

Evaluating body	Evaluatee	Broad criteria and parameters of evaluation	Process of evaluation
The Board, the NRC and the Independent Directors	The Board as a whole	Review of fulfilment of Board's responsibilities including Strategic Direction, financial reporting, risk management framework, ESG, Grievance redressal, succession planning, knowledge of industry trends, diversity of Board etc. and feedback to improve Board's effectiveness.	Internal assessment through a structured and separate rating based questionnaire for each of the evaluations.
The Board	The Committees of the Board (separately for each Committee)	Structure, composition, attendance and participation, meetings of Committees, effectiveness of the functions handled, Independence of the Committee from the Board, contribution to decisions of the Board etc.	The evaluation is carried out on a secured online portal whereby the evaluators are able to submit their ratings and qualitative feedback, details of which are accessible only to the NRC Chairperson.
The Board, the NRC, and the Independent Directors	Independent Directors including those seeking re-appointment, Non - Independent Directors, and the MD (excluding the Director being evaluated)	Qualifications, experience, skills, independence criteria, integrity of the Directors, contribution and attendance at meetings, ability to function as a team and devote time, fulfilment of functions, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry, fairness and transparency demonstrated, adequacy of resource staffing etc.	The NRC also reviews the implementation and compliance of the evaluation exercise done annually.
The Board, the NRC and the Independent Directors	Chairperson	Skills, expertise, effectiveness of leadership, effective engagement with other Board members during and outside meetings, allocation of time to other Board members at the meetings and ability to steer the meetings, commitment, impartiality, ability to keep shareholders' interests in mind, effective engagement with shareholders during general meetings etc.	The results and outcome are evaluated, deliberated upon and noted by the Independent Directors, the NRC and the Board at their respective meetings.

The questionnaires for performance evaluation are comprehensive and in alignment with the guidance note on Board evaluation issued by the SEBI, vide its circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5th January 2017 as amended and merged with SEBI Master Circular dated November 11, 2024 and are in line with the criteria and methodology of performance evaluation approved by the NRC.

Outcome and results of the performance evaluation

All the Directors of your Company as on 31st March 2025 participated in the evaluation process. The Directors expressed their satisfaction with the Evaluation process. During the year under review, NRC ascertained and reconfirmed that the deployment of "questionnaire" as a methodology, is effective for evaluation of performance of Board and Committees and Individual Directors.

The evaluation outcomes for the year under review were deliberated upon at length with the Board members, Committee Chairpersons and Individual Directors. The results underscore a good level of engagement and diligence by the Board and its various committees, and by the senior leadership.

It was noted that the Board and Committee meetings are meticulously planned and conducted with efficiency, in terms of comprehensive pre-reads being sent well in advance, and constructive participation and deliberations at the meeting led by the Chair. This enabled the Board and Committees to discharge their role effectively and focus on governance and internal controls.

During the year under review, the terms of reference of the Board and Committees were revisited with a view to aligning the same with regulatory expectations, and best group and industry practices, so as to bring renewed focus on review matters.

Board members were appreciative that during the year under review, the Board and its Committees performed their role well, particularly in the areas of financial discipline, strategic direction, compliances, succession planning and performance review. Based on the outcome of the evaluation of the year under review, the Board has agreed to deepen its focus on ESG, risk management and oversight of subsidiaries, with continued focus on maintaining high standards of performance and governance, to enhance the value for all its stakeholders.

Familiarisation Programme for Directors

Your Company has adopted a structured programme for orientation of all Directors including the Independent Directors so as to familiarise them with the Company- its operations, business, industry, environment in which it functions, Indian and global macro-economic front and the regulatory regime applicable to it. The Management updates the Board Members on a continuing basis of any significant changes therein and provides them an insight to their expected roles and responsibilities so as to be in a position to take well-informed and timely decisions and contribute significantly to the Company. The Directors are provided with all the documents to enable them to have a better understanding of the Company, its operations and the industry in which it operates.

The Independent Directors of your Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement. The terms of reference of all the Committees with updations, if any, are shared with all the Board Members on a quarterly basis. Independent Directors meet the business and functional heads and provide their inputs and suggestions on strategic and operational matters at the quarterly Board/Committee Meetings.

Managing Director and Senior Management provide an overview of the operations and familiarise the Directors on matters related to the Company's values and commitments. They are also introduced to the organisation structure, constitution of various committees, board procedures, risk management strategies etc.

Strategic Presentations are made to the Board where Directors get an opportunity to interact with Senior Management. Directors are also informed of the various developments in the Company through Press Releases, emails, etc. Your Company has a secured Board portal which inter-alia provides a one stop and seamless solution for access to Board/Committee materials to all the Directors. The Board portal also contains Annual Report, Code of Conduct for Directors, terms of appointment, committee charters etc. for ease of access. This enables greater transparency to the Board processes.

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), your Company has during the year conducted familiarization programmes through briefings at Board/ Committee meetings for all its Directors including Independent Directors.

Details of familiarization programs imparted to the Independent Directors during the financial year under review in accordance with the requirements of the Listing Regulations are available on the Company's website and can be accessed at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#familiarization-program and is also provided in the Corporate Governance Report forming part of this Annual Report.

Policies on Appointment of Directors and Senior Management and Remuneration of Directors, Key Managerial Personnel and Employees:

i) Policy on Appointment of Directors and Senior Management and succession planning for orderly succession to the Board and the Senior Management

In accordance with the provisions of Section 134(3)(e) of the Companies Act, 2013 ("the Act") read with Section 178 of the Act and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), your Company has adopted a Policy on Appointment of Directors and Senior Management and succession planning for orderly succession to the Board and the Senior Management, which, inter-alia, includes the criteria for determining qualifications, positive attributes and independence of Directors, succession planning for Directors and Senior Management, and the Talent Management framework of the Company.

During the year under review, the Policy was amended to, inter-alia align with the amendments in the Listing Regulations.

The said policy is available on the website of the Company and can be accessed at https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies .

ii) Policy on Remuneration of Directors and Remuneration Policy for Key Managerial Personnel, Senior Management and other Employees of the Company

Your Company has also adopted the Policy on Remuneration of Directors and the Policy on Remuneration of Key Managerial Personnel, Senior Management and other Employees of the Company in accordance with the provisions of sub-section (4) of Section 178 of the Act, Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 and Listing Regulations.

During the year under review the Policy on Remuneration of Directors of the Company was amended to, inter-alia, align with existing legal provisions, introduce certain standard clauses for better articulation.

The Remuneration Policy for Key Managerial Personnel, Senior Management and other employees was amended during the year under review to inter-alia, align with the amendments in the Listing Regulations, and provide flexibility in compensation structuring.

The said Policies are uploaded on the website of the Company and can be accessed at: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies

Adequacy of Internal Financial Controls with Reference to the Financial Statements

Your Company has in place adequate internal financial controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations.

Your Company uses various industry standard systems to enable, empower and engender businesses and also to maintain its Books of Accounts. The transactional controls built into these systems ensure appropriate segregation of duties, the appropriate level of approval mechanisms and maintenance of supporting records. The systems, Standard Operating Procedures and controls are reviewed by the Management.

Your Company's Internal Financial Controls are deployed through Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO"), that addresses material risks in your Company's operations and financial reporting objectives. Such controls have been assessed during the year under review taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("ICFR") issued by The Institute of Chartered Accountants of India. The risk control matrices are reviewed on a quarterly basis and control measures are tested and documented on a quarterly basis. The Company has IT systems in place making the ICFR process completely digital and strengthening the review and monitoring mechanism. Based on the assessments carried out by the Management during the year, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed.

Your Company recognises that Internal Financial Controls cannot provide absolute assurance of achieving financial, operational and compliance reporting objectives because of its inherent limitations. Also, projections of any evaluation of the Internal Financial Controls to future periods are subject to the risk that the Internal Financial Control may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

Joint Statutory Auditor's certification on internal financial controls

The Joint Statutory Auditors of your Company viz. M/s. M M Nissim & Co LLP, Chartered Accountants and M/s. M.P. Chitale & Co., Chartered Accountants have examined the internal financial controls of the Company and have submitted an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting as at 31st March 2025.

Internal Audit Framework

Your Company has in place an adequate internal audit framework to monitor the efficacy of the internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the Company's processes. The internal audit approach verifies compliance with the operational and system related procedures and controls. The Internal Auditor reports to the Audit Committee of the Board.

Separate meetings between the Head of Internal Audit and the Audit Committee

Separate meetings between the Head of Internal Audit and the Audit Committee, without the presence of Management, were enabled to facilitate free and frank discussion amongst them. The meetings were held on 23rd April 2024, 24th September 2024 and 22nd October 2024.

Risk Based Internal Audit ("RBIA") framework

In compliance with RBI circular dated 3rd February 2021, the Company has in place an effective Risk Based Internal Audit ("RBIA") Framework to review the efficacy of internal controls, processes, policies and compliance with laws and regulations, with the objective of providing an independent and reasonable assurance on the adequacy and effectiveness of the organisation's internal control and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of its operations.

The Audit Committee has approved a Risk Based Internal Audit ("RBIA") framework, along with appropriate processes and plans for internal audit of FY2025 and FY2026. The Risk Based Internal Audit Plan is also being reviewed by the Statutory Auditors, Senior leadership, Chief Risk Officer, Chief Compliance Officer before being approved by the Audit Committee. The internal audit plan is developed based on the risk profile of the audit universe including business activities, functions, branches, application systems of the organisation. The RBIA plan includes process audits, branch audits and Information Technology (IT) & Information Security (IS) audits. Internal audits are undertaken on a periodic basis to independently validate the existing controls.

Based on the reports of internal audit, function/process owners undertake corrective action in their respective areas. Significant audit observations are presented to the Audit Committee along with agreed management action plan. The status of the management actions and implementation of the recommendations are tracked for all the observations and are presented to the Audit Committee on a regular basis.

Risk Management

Risk management forms an integral part of the Company's business. Your Company has a comprehensive Risk Management Policy in place and has laid down a well-defined risk management framework to identify, assess and monitor risks and strengthen controls to mitigate risks. Your Company has established procedures to periodically place before the Risk Management Committee and the Board of Directors, the risk assessment and minimisation procedures being followed by the Company and steps taken by it to mitigate these risks.

The Risk Management Policy, inter-alia, includes identification of elements of Credit, Operational & Enterprise risk, including Cyber Security and related risks as well as those risks which in the opinion of the Board may threaten the existence of the Company.

The Risk Management Committee ("RMC") constituted by the Board manages the integrated risk and reviews periodically the Risk Management Policy and strategy followed by the Company.

The Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the Company. Your Company has a robust organisational structure for managing and reporting on risks. This risk management mechanism works at all the levels, which acts as the strategic defence cover of the Company's risk management and is supported by regular review, control, self-assessments and monitoring of key risk indicators.

Operational Risk Management: Your Company has implemented an Operational Risk Management (ORM) Policy to proactively manage operational risks. The policy has implemented involves assessing and measuring risks, monitoring them closely, and implementing mitigating measures through a structured governance framework. All new products, processes, and changes as well as new financial outsourcing arrangements undergo thorough risk evaluation by the Operational Risk team. In terms of the latest Regulatory guidance note on Operational Risk Management and Operational Resilience, your Company is in compliance with all the applicable key themes specified.

Credit Risk Management: Your Company has successfully implemented a robust credit risk management framework, risk assessment models to ensure proactive identification, mitigation, and monitoring of potential credit exposures. This strategic approach enhances Company's ability to manage risk while optimizing overall portfolio performance.

In compliance with Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023, the Company has in place ICAAP Policy and Framework with the objective of ensuring availability of adequate capital to support all risks in business as also enable effective risk management system in the Company.

The Chief Risk Officer ("CRO") oversees and strengthens the risk management function of the Company. The CRO is invited to the Board, Audit Committee, Asset Liability Committee and Risk Management Committee Meetings. The CRO along with members of the Senior Management apprises the Risk Management Committee and the Board on the risk assessment, process of identifying and evaluating risks, major risks as well as the movement within the risk grades, the root cause of risks and their impact, key performance indicators, risk management measures and the steps taken to mitigate these risks.

Auditors and Audit Reports

Joint Statutory Auditors and their Reports

Basis the recommendation of the Audit Committee and the Board of Directors, the members of the Company had at the 34th Annual General Meeting held on 23rd July 2024, approved appointment of M/s. M M Nissim & Co LLP, Chartered Accountants (ICAI Firm Registration Number: 107122W/W100672) and M/s. M.P. Chitale & Co., Chartered Accountants (ICAI Firm Registration Number: 101851W) as the Joint Statutory Auditors of your Company for a term of 3 consecutive years to hold office from conclusion of 34th AGM up to the conclusion of 37th AGM to be held in the year 2027. The Joint Statutory Auditors hold valid peer review certificate as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The joint Statutory Auditors have given a confirmation on their eligibility and non-disqualification.

The joint Statutory Auditors of the Company have issued unmodified Audit Reports on the Standalone and Consolidated Financial Statements for the financial year ended 31st March 2025. The report does not contain any qualification, reservation or adverse remark or disclaimer.

Adoption of Policy for appointment of Statutory Auditors

In compliance with the Reserve Bank of India Guidelines dated 27th April 2021 ("RBI Guidelines"), your Company has in place a Policy for appointment of Statutory Auditors of the Company. The said Policy was amended by the Board of Directors to specifically cover independence of auditors and annual review of performance of statutory auditors in compliance with the RBI Guidelines.

Secretarial Auditor and Audit Report

M/s. KSR & Co, Company Secretaries LLP ("KSR"), the Secretarial Auditor appointed in accordance with the provisions of Section 204 of the Companies Act, 2013 ("Act") read with the Rules framed thereunder. KSR has issued the Secretarial Audit Report for FY2025 which is appended to this Report as **"Annexure II"**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer. KSR was present at the last AGM of the Company held on 23rd July 2024.

Appointment of Secretarial Auditor

In compliance with Regulation 24(A) of Listing Regulations as amended vide SEBI notification dated 12th December 2024 and basis the recommendation of Audit Committee, the Board has approved the appointment of M/s. Makarand M. Joshi & Co. Company Secretaries ("MMJC"), as the Secretarial Auditor of the Company for first term of 5 consecutive years, to conduct Secretarial Audit and provide other allied certification/permitted services for FY2025-2026 up to FY2029- 2030, subject to approval of shareholders of the Company at the ensuing AGM.

Consequent to the above, M/s. KSR and Co, Company Secretaries LLP ("KSR"), the current Secretarial Auditor, has ceased to be the Secretarial Auditor of the Company from 22nd April 2025.

MMJC have consented for their appointment as the Secretarial Auditor and have given a confirmation to the effect that they are eligible to be appointed and are not disqualified from acting as the Secretarial Auditor.

Members are requested to consider and approve appointment of MMJC as the Secretarial Auditor of your Company to conduct Secretarial Audit and provide other allied certification/permitted services for FY 2025-2026 up to FY 2029-2030. Necessary resolution seeking approval of members for appointment of MMJC as the Secretarial Auditor has been incorporated in the Notice of 35th Annual General Meeting.

Secretarial Audit of Material Subsidiary

There is no Material Unlisted Indian Subsidiary of the Company as on 31st March 2025 and the requirement under Regulation 24(A) of the Listing Regulations regarding the Secretarial Audit of Material Unlisted Indian Subsidiary is not applicable to the Company for the Financial Year 2024-25.

Annual Secretarial Compliance Report with additional confirmations on compliances

In compliance with Regulation 24(A) of Listing Regulations, your Company has undertaken an audit for FY2025 for all the applicable compliances as per Listing Regulations, 2015 and Circulars/ Guidelines issued thereunder.

The Annual Secretarial Compliance Report ("ASCR") issued by M/s. KSR & Co, Company Secretaries LLP, Secretarial Auditor and a Peer Reviewed Firm, with confirmations with confirmations on compliances by the Company with respect to Insider Trading Regulations, Related Party Transactions, updation of Policies, disclosure of material events to Stock Exchanges etc., has been filed with BSE and NSE in the prescribed format and the same can be accessed on the website of the Company at https://www.mahindrafinance.com/investor-relations/regulatory-filings#secretarial-compliance-report

The Annual Secretarial Compliance Report does not contain any qualification, reservation or adverse remark.

Cost Records and Cost Audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148 of the Companies Act, 2013 are not applicable in respect of the business activities carried out by your Company and hence such accounts and records were not required to be maintained by the Company.

Fraud Reporting

During the year under review, the Joint Statutory Auditors and the Secretarial Auditor have not reported any instance of fraud committed in the Company by its officers or employees, involving an amount of less than ₹ 1 crore to the Audit Committee under section 143(12) of the Companies Act, 2013, the details of which need to be mentioned in this Report.

The Company is reinforcing its commitment to trust, integrity and transparency through enhanced measures for compliance, risk management, and governance.

Particulars of Contracts or Arrangements with Related Parties

Your Company has in place a robust process for approval of Related Party Transactions and on Dealing with Related Parties.

All contracts/arrangements/transactions entered into by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis.

Omnibus approval of Audit Committee is obtained for Related Party Transactions which are of repetitive nature, which are reviewed on quarterly basis by the Audit Committee as per Regulation 23 of the Listing Regulations and Section 177 of the Companies Act, 2013.

All Related Party Transactions and subsequent material modifications, if any, were placed before the Audit Committee for review and approval. Necessary details for each of the Related Party Transactions as applicable along with the justification are provided to the Audit Committee in terms of the Company's Policy on Materiality of and Dealing with Related Party Transactions and as required under SEBI Master Circular **SEBI/HO/CFD/PoD2/CIR/P/0155** dated November 11, 2024.

The Material Related Party Transactions approved by the Members of the Company are also reviewed / monitored on quarterly basis by the Audit Committee of the Company as per Regulation 23 of the Listing Regulations and Section 177 of the Companies Act, 2013.

The Company has not entered into Material Related Party Transactions as per the provisions of the Companies Act, 2013 and a confirmation to this effect as required under Section 134(3)(h) of the Companies Act 2013 is given in form AOC-2 as **"Annexure III"**, which forms part of this Annual Report.

In accordance with the applicable provisions of the Master Direction issued by the Reserve Bank of India and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the 'Policy on Materiality of and Dealing with Related Party Transactions', is available on the Company's website: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies .

The transactions of the Company with any person/ entity belonging to the promoter/promoter group which holds 10% or more shareholding in the Company as required pursuant to Para A of Schedule V of the Listing Regulations is disclosed separately in the financial statements of the Company. Members of the Company had approved entering into Material Related Party transaction with Mahindra & Mahindra Limited, (Promoter/ Holding Company and a Related party) under Regulation 23 of the Listing Regulations. During the year under review, the aggregate value of the transactions entered with Mahindra & Mahindra Limited did not exceed the materiality threshold as prescribed under Regulation 23 of the Listing Regulations. The Company intends to enter into new Material Related Party Transaction with Life Insurance Corporation of India for which the approval of Members is being sought. Further details on the transactions with related parties are provided in the accompanying financial statements.

Whistle Blower Policy/ Vigil Mechanism

Your Company promotes ethical behaviour in all its business activities and has established a vigil mechanism for its Directors, Employees, and Stakeholders associated with the Company to report their genuine concerns. The Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is implemented through the Whistle Blower Policy, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

As per the Whistle Blower Policy implemented by the Company, the Employees, Directors or any Stakeholders associated with the Company are free to report illegal or unethical behaviour, actual or suspected fraud, or violation of the Company's Code(s) of Conduct or Corporate Governance Policies or any improper activity, through the channels provided below.

The Whistle Blower Policy provides for protected disclosure and protection for the Whistle Blower. Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discriminatory practices. The Whistle-blower can make a Protected Disclosure by using any of the following channels for reporting:

1. Independent third party Ethics Helpline Service Portal: https://ethics.mahindra.com
2. Toll free No: 000 800 100 4175
3. Chairperson of the Audit Committee

The Whistle Blower Policy has been widely disseminated within the Company. The Policy is available on the website of the Company at the web-link https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies .

During the year, the Company received 9 whistle blower complaints. All the cases were investigated and appropriate actions were taken, wherever necessary basis investigation reports.

The Audit Committee is apprised of the vigil mechanism on a periodic basis. During the year, no person was denied access to the Chairperson of the Audit Committee. A quarterly report on the whistle blower complaints is placed before the Audit Committee for its review.

Particulars of Employees and Related Disclosures

Details of employees who were in receipt of remuneration of not less than ₹ 1,02,00,000 during the year ended 31st March 2025 or not less than ₹ 8,50,000 per month during any part of the year, as required under provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be made available during 21 days before the Annual General Meeting in electronic mode to any Shareholder upon request sent at the Email ID: company.secretary@mahindrafinance.com.

Disclosures with respect to the remuneration of Directors, Key Managerial Personnel and Employees as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in **"Annexure IV"**

Disclosure in respect of remuneration/ commission drawn by the Managing Director/ Whole-time Director from Holding or Subsidiary Company

Mr. Ramesh Iyer former Vice-Chairman & Managing Director (up to 29th April 2024) did not receive any remuneration or commission from Holding/Subsidiaries of the Company during FY2025.

Mr. Raul Rebello, Managing Director & CEO effective 30th April 2024 (Mr. Raul Rebello served as Executive Director and MD & CEO Designate up to 29th April 2024) did not receive any remuneration or commission from Holding/ Subsidiaries of the Company during FY2025.

Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act")

Your Company is an equal opportunity employer and is committed to ensuring that the work environment at all its locations is conducive to fair, safe and harmonious relations between employees. It strongly believes in upholding the dignity of all its employees, irrespective of their gender or seniority. Discrimination and harassment of any type are strictly prohibited.

Your Company has in place a comprehensive Policy in accordance with the provisions of POSH Act and Rules made thereunder.

All employees (permanent, contractual, temporary and trainees) are covered under this Policy. The Policy has been widely communicated internally and is placed on the Company's intranet portal. The Company has zero tolerance towards sexual harassment.

The POSH Policy is available on the website of the Company and can be accessed at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies.

Your Company has complied with the provisions relating to the constitution of the Internal Complaints Committee ("ICC") under the POSH Act to redress complaints received regarding sexual harassment.

To ensure that all the employees are sensitized regarding issues of sexual harassment, the Company creates awareness by imparting necessary trainings.

The following is a summary of Sexual Harassment complaint(s) received and disposed of during the FY2025, pursuant to the POSH Act and Rules framed thereunder:

a) Number of complaint(s) of Sexual Harassment received during FY2025 - 3

b) Number of complaint(s) disposed of during FY2025 - 3

c) Number of cases pending for more than 90 days (which is stipulated timeline for completion of an inquiry into a compliant of sexual harassment under POSH Act) - Nil

d) Number of cases pending as on 31st March 2025 - Nil

Number of workshops/awareness programs on the subject carried out during the year under review were as under:

- An online e-learning module for employees on Prevention of Sexual Harassment covering topics on Sexual Harassment, the process of filing complaints, dealing with sexual harassment, etc. is developed for training. 99.5% of the employees have completed this training.
- One Training program on ICC was conducted for all ICC members.
- One Training program on POSH sensitization was conducted for the HR team.

Disclosure of Maternity Benefit Compliance

Your Company is in compliance of Maternity Benefit Act, 1961 for the year under review.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as **'Annexure V'** to the Board's Report.

Policies

The details of the Key Policies adopted by your Company and changes made therein, if any, during the year under review are mentioned at **"Annexure VI"** to the Board's Report.

Compliance with the Provisions of Secretarial Standard - 1 and Secretarial Standard - 2

The Directors have devised proper systems to ensure compliance with the provisions of the Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, issued by the Institute of Company Secretaries of India ("ICSI") and such systems are adequate and operating effectively.

Voluntary adherence of Secretarial Standards to all Board Committees

Although, SS-1 compliance is required only for Board and its Committees mandatorily required to be constituted under the Companies Act, 2013 ("the Act"), the Company adheres and complies with most of the good practices enunciated in the said Secretarial Standards for all its mandatory and non-mandatory Board level Committees.

Your Company has duly complied with applicable SS-1 and SS-2, during the year under review.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

There were no significant and material orders passed by the regulators or courts or tribunals during the year impacting the going concern status of the Company and its future operations.

Disclosure pertaining to Insolvency & Bankruptcy Code

There were neither any applications filed by or against the Company nor any proceedings were pending under the Insolvency and Bankruptcy Code, 2016 ("IBC") during the year under review.

Disclosure on One-Time Settlement

During the year, the Company has not made any one-time settlement for loans taken from the Banks or Financial Institutions and hence the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.

General Disclosures

The Directors further state that no disclosure or reporting is required in respect of the following items, as there were no transactions/events related to these items during the financial year under review:

- There was no issue of equity shares with differential rights as to dividend, voting or otherwise;
- There was no issue of shares (including sweat equity shares) to the employees of the Company under any scheme, save and except Employee Stock Option schemes referred to in this Report;
- During the year under review, Board of Directors at its meeting held on 13th February 2025 had approved raising of funds by way issue of equity shares on rights basis to the eligible shareholders for an amount not exceeding ₹ 3000 Crore, subject to receipt of regulatory/ necessary approvals, as may be required.
- There was no buy-back of the equity shares during the year under review;
- There were no voting rights which are not directly exercised by the employees in respect of equity shares for the subscription/ purchase for which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section 67(3)(c) of the Companies Act, 2013 ("the Act");
- There was no suspension of trading of securities of the Company on account of corporate action or otherwise;
- There was no revision made in Financial Statements or the Board's Report of the Company;
- The Company being an NBFC, the provisions relating to Chapter V of the Act, i.e., acceptance of deposit, are not applicable. Disclosures as per NBFC regulations have been made in this Annual Report.

Acknowledgments

The Board conveys its deep gratitude and appreciation to all the employees of the Company for their tremendous efforts as well as their exemplary dedication and contribution to the Company's performance.

The Directors would also like to thank its shareholders, customers, vendors, business partners, bankers, government and all other business associates for their continued support to the Company and the Management.

For and on behalf of the Board

Dr. Anish Shah
Chairperson
DIN: 02719429

Place: Mumbai

Date: 22nd April 2025

Registered Office: Gateway Building,
Apollo Bunder, Mumbai - 400 001.

Corporate Office: Mahindra Towers, 'A' Wing,
3rd Floor, Worli, Mumbai - 400 018.
CIN: L65921MH1991PLC059642
Tel: 022 6652 6000
E-mail ID: company.secretary@mahindrafinance.com
Website: www.mahindrafinance.com

ANNEXURE I

Corporate Social Responsibility

Annual Report on Corporate Social Responsibility ("CSR") Activities for FY2025

1. Brief outline on CSR Policy of the Company

At Mahindra & Mahindra Financial Services Limited ("MMFSL" or "the Company"), we sincerely believe that the actions of the organisation and its community are highly interdependent. Both on its own and as part of the Mahindra Group, through constant and collaborative interactions with our external stakeholders, MMFSL strives to become a catalyst in the communities where it operates.

The Company's CSR mission aims to actively contribute to the socio-economic development of communities, enabling individuals to partake in and derive benefits from the ongoing socio-economic progress. The Company is dedicated to integrating economically, physically, and socially challenged groups into mainstream society through its CSR initiatives.

The objective of our CSR Policy has been to

- Define and lay down the guiding principles for selection, implementation and monitoring of Company's CSR initiatives as well as formulation of the annual action plan
- Outline our Board's vision and approach for undertaking CSR and creating impact in the communities
- Encourage an increased commitment and engagement from employees towards CSR

CSR Thrust Areas

Company has identified CSR thrust areas for undertaking CSR Projects/ programs in India which are aligned with national priorities. The Corporate Social Responsibility (CSR) initiatives are geared towards promoting digital and financial inclusion, skills training and enhancing livelihoods, environmental sustainability and addressing various social issues. Through these commitments, the Company strives to contribute to social equality and build a more inclusive and vibrant society.

- **Promoting Education:**

  The Company aims at promoting education, among children, youth, adults, women, and the elderly.

- **Financial Literacy and Inclusion:**

  To address the financial literacy gap and digital divide in the society, the Company focuses on financial and digital literacy programs/ projects designed to raise awareness and foster inclusion within marginalized communities and enabling them to make informed choices about their finances and utilise financial services appropriately. The program supports the gig workers and the individual entrepreneurs with practical, hands-on learning. The training workshops and personal assistance to access digital tools and government schemes have equipped participants with the skills they need to manage their finances effectively, embrace digital technologies, and navigate the complexities of the modern business world.

- **Skill training and livelihood enhancement:**

  The Company's skill training initiatives focus on enhancing the skills and capacities of individuals across various demographics, including children, youth, adults, women, from economically disadvantaged backgrounds. The goal is to empower them, providing access to opportunities for sustainable livelihoods and fostering overall growth.

- **Environmental Sustainability:**

  Protecting environmental resources and ensuring adoption of environment-friendly practices is important to ensure sustainable and self-sustaining local economies. The Company focuses on activities ensuring environmental sustainability, tree plantation, management of natural resources and promotion of sustainable technologies.

- **Others:**

  From time to time, the Company may identify newer thrust areas, in so far as such activities are as defined in Schedule VII of the Companies Act, 2013 as amended.

  As per the CSR Policy of the Company, CSR Projects are carried out according to the annual action plan recommended by the CSR Committee and approved by the Board. The Company actively monitors ongoing CSR projects to ensure timely achievement of intended outcomes. The CSR team, monitors the project progress though reviewing monthly / quarterly narrative & financial reports, conducting field visits and impact assessment studies in line with internal implementation guidelines.

2. Composition of the CSR Committee

CSR Committee composition as at 31st March 2025 and attendance at the CSR meetings during FY2025:

Name of Directors	Designation/ Nature of Directorship	Number of meetings of CSR Committee		% Attendance
		Held during their tenure	Meetings attended	
Mr. Diwakar Gupta (appointed w.e.f 24.07.2024)	Chairperson, Independent Director	2	2	100%
Mr. Vijay Kumar Sharma (appointed w.e.f 24.07.2024)	Member, Independent Director	2	2	
Mr. Raul Rebello (appointed w.e.f 30.04.2024)	Managing Director & CEO	2	2	
Mr. Ramesh Iyer (ceased w.e.f 29.04. 2024)	Member, Executive Director	1	1	
Mrs. Rama Bijapurkar (ceased w.e.f 23.07.2024)	Member, Independent Director	1	1	
Mr. Dhananjay Mungale (ceased w.e.f 23.07.2024)	Former Chairperson, Independent Director	1	1	

3. Provide the web-link(s) where composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

CSR Policy & Committee- https://www.mahindrafinance.com/wp-content/uploads/2025/04/MMFSL-CSR-Policy-Version-8.pdf

CSR Projects- https://www.mahindrafinance.com/wp-content/uploads/2024/05/MMFSL-CSR-Projects-FY-2024-25.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

In compliance with above, the Company had engaged M/s. Chrysalis Services and M/s. Social Lens Consulting Pvt. Ltd independent third party agencies to carry out the impact assessment with respect to 4 CSR Projects completed during FY2022 and FY2023 (details mentioned in Annexure to this Report), which met the criteria prescribed for impact assessment. The Executive Summary of the impact assessment for the said projects is provided in the annexure to this report. The web-link for all the impact assessment reports is given below: https://www.mahindrafinance.com/together-we-rise#csr-reports

The executive summary and the web-links for the CSR projects undertaken during FY2023-2024, which meet the criteria prescribed for impact assessment will be provided, once the same are completed.

5.

(a) Average net profit of the company as per sub-section (5) of section 135

₹ 17,28,78,42,909.23 (Average of FY2024, FY2023, FY2022)

(b) Two percent of average net profit of the company as per sub-section (5) of section 135

₹ 34,57,56,858.18

(c) **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years**

Nil

(d) **Amount required to be set-off for the financial year, if any**

Nil

(e) **Total CSR obligation for the financial year [(b)+(c)-(d)]**

₹ 34,57,56,858.18

6. (a) **Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects)**

₹ 34,28,75,141.48

(b) **Amount spent in Administrative Overheads**

₹ 16,00,305.00

(c) **Amount spent on Impact Assessment, if applicable**

₹ 16,13,586.14

(d) **Total amount spent for the Financial Year [(a)+(b)+(c)]**

₹ 34,60,89,032.62*

Note: In addition to CSR Spend of ₹ 34,60,89,032.62, the Company has spent ₹ 2,84,030 which pertains, to the interest income earned by the implementation agencies on funds provided to them for FY2025 towards CSR activities. The interest earned is ploughed back in the project and utilised for project activities. The same is not included in CSR spend mentioned above.

(e) **CSR amount spent or unspent for the Financial Year (FY2025):**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second provision to sub-section (5) of section135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
34,60,89,032.62	N.A.		NA.	N.A.	N.A.

(f) **Excess amount for set-off, if any: Not Applicable**

Sr. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section(5) of Section 135	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year[(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set-off in succeeding Financial Years [(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

S.no	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years(in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1.	FY2021 - 2022	7,85,94,000	Nil	Nil	N.A	N.A	Nil	Nil
2.	FY2022 - 2023	Nil	Nil	Nil	N.A	N.A	N.A	N.A
3.	FY2023 - 2024	4,70,55,000	Nil	4,70,50,000*	N.A	N.A	Nil	Nil

Note- The Company had transferred ₹ 4,70,55,000 vis-à-vis actual unspent ₹ 4,69,15,787.69 to the MMFSL Unspent CSR Account FY2024. The Company has spent ₹ 4,70,50,000 towards CSR activities. The Company has over and above its actual unspent CSR obligation of ₹ 4,69,15,787.69, spent ₹ 1,34,212.31 in excess, aggregating to ₹ 4,70,50,000. The Company has fully spent its unspent CSR obligation for FY2024.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☑ No

If Yes, enter the number of Capital assets created/acquired: N.A

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation (dd/mm/yy)	Amount of CSR amount spent (in ₹)	Details of entity/ authority/ beneficiary of the registered owner		
					CSR Registration number, if applicable	Name	Registered address
				N.A.			

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable for FY2025

Diwakar Gupta
Chairperson, CSR Committee
DIN: 01274552

Raul Rebello
Managing Director & CEO
DIN: 10052487

Place: Mumbai
Date: 22nd April 2025

Executive Summary of Impact Assessment Reports

A brief outline of Projects for which Impact assessment was carried out and the executive summary of the impact assessment reports are given below:

A. Nanhi Kali:

Brief description of the project:

Nanhi Kali aims to provide comprehensive support to underprivileged girls studying in classes 1 to 10. Through the Nanhi Kali after school Academic Support Centres, each girl received access to an AI-powered personalised adaptive learning software preloaded onto digital tablets, that matched instructions to the learning levels of each girl, ensuring that she learnt with understanding. Additionally, every girl was given a school supplies kit which also included feminine hygiene materials for secondary school girls, enabling them to attend school with dignity. A professionally designed sports curriculum was integrated into the program to promote holistic development.

Objectives of the project:

- Empower schoolgirls from underserved communities (Classes 1-10) through educational support by operating after-school Academic Support Centres (ASCs)
- Ensure adaptive and effective learning by providing access to AI-powered personalised learning software on digital tablets
- Support school attendance and dignity by distributing annual school supplies kits, including feminine hygiene materials.
- Foster physical well-being, confidence, and holistic development by conducting extracurricular activities and integrating a professionally designed sports curriculum.
- **Project Period:** April 2021 to March 2022
- **Total Outlay:** ₹ 2.76 Crore
- **Budget spent:** ₹ 2.76 Crore
- **Implementation Partner:** K.C. Mahindra Education Trust

Key Findings and Recommendations:

- The project Nanhi Kali aims to provide comprehensive support to underprivileged girls studying in classes 1 to 10. The project has significantly contributed to bridging the digital divide by promoting digital learning tools among underprivileged girls in India.
- 84% of Nanhi Kalis felt very happy to understand Mathematics concepts through tablets. It made Mathematics concepts easy to understand.
- 91% shared that they felt motivated to study due to the support provided by Community Associates.
- 99% enjoyed participating in sports activities organised under Project Nanhi Kali.
- 99% showed increased interest in studies due to Academic Support Centres.
- 96% were able to continue their studies even during the COVID-19 due to support provided by Community Associate.
- The project has proven effective in enhancing students learning outcomes and reducing drop out rate among girls.

B. Mahindra Pride Program

Brief description of the project:

Mahindra Pride School (MPS): The Mahindra Pride School offered 90 days of intensive skill training in the domains of ITES, automotive, hospitality, and organised retail. Apart from this, expert trainers also provided training in spoken English and essential soft skills to equip students with the requisite skills required in the workplace.

Mahindra Pride Classroom (MPC): The Mahindra Pride Classroom (MPC) collaborated with Govt recognised colleges/ITI/Polytechnic institutions (where domain skills were already being provided) to offer 20-40 hours skills modules in spoken English, life skills, aptitude, interview preparedness, group discussion, and digital literacy.

The program was restructured into an online format as a result of COVID-19 restrictions. Apart from skills training, the MPC also helps in job placement. MPC also offers skills training in new domains like Agri-skilling, Digital Marketing, New Educator, and Coding.

Objectives of the project:

- To provide the socially and economically disadvantaged youth of India, who lose out on opportunities in life due to lack of good communication skills and proper guidance, a platform where they can seek appropriate skill development training so as to become employable in the organized private sector.
- To provide an asset to the urban and semi urban poor in the form of skills for sustainable livelihood.
- To increase the income of urban and semi urban poor through structured courses and training that can provide better employment opportunities which will eventually lead to better living standards.
- To aid in developing the skills of the vast population of unemployable youth residing in the urban and semi urban areas, who do not have access to the various programs carried out by the Government.
- **Project Period:** April 2021 to March 2022
- **Total Outlay:** ₹ 9.00 Crore
- **Budget spent:** ₹ 9.00 Crore
- **Implementation Partner:** K.C. Mahindra Education Trust

Key Findings and Recommendations:

Mahindra Pride School (MPS):

- 100% of respondents confirmed that they were currently employed.
- 92% praised its practical application, highlighting commitment to delivering industry-relevant knowledge and skills.
- 91% of respondents found the course content relevant.
- 89% of the respondents found the training relevant to their current job roles, affirming the program's broad applicability.
- 85% of respondents reported increased confidence, reflecting the project's role in enhancing personal and professional lives.
- 43% of respondents shared that the training team guided them to get employment during COVID-19.

Mahindra Pride Classroom (MPC):

- 100% of the respondents were satisfied with the training team's support, with 72% feeling motivated and encouraged. This highlights the efficiency of the training team in delivering impactful support.
- 93% of the respondents expressed that they feel better equipped to handle job interviews and more confident in communicating in English.
- 67% of the respondents directly attributed the Mahindra Pride Classroom training to helping them secure a job.
- 32% of respondents appreciated class activities and assessments for effectively reinforcing learning through practical application.
- 91% of respondents shared that the online classes were interactive. During COVID-19, the MPC project rapidly shifted to online learning, developing digital content and enhancing trainer capabilities for virtual engagement.

C. Women Empowerment with Regenerative Agriculture

Brief description of the project:

Women Empowerment through Regenerative Agriculture (WERA) program focuses on training rural women in regenerative agriculture practices and providing them with resources to become self-reliant and improve their families' nutrition. The program aims to create a food revolution by putting women at the center of agricultural transformation. Women were trained in the scientific principles of regenerative agriculture, including soil health, water management, and sustainable farming practices. Also these women were encouraged to develop household-based "Good Food Corners" and production of carbon rich compost.

Objective of the project:

To enable women farmers to use regenerative agriculture practices to improve soil fertility and increase productivity, ensuring food and nutrition security for their families, along with enhanced income levels.

- **Project Period:** Oct 2021 to March 2022
- **Total Outlay:** ₹ 4.71 Crore
- **Budget spent:** ₹ 4.71 Crore
- **Implementation Partner:** Nandi Foundation

Key Findings and Recommendations:

- 100% of respondents expressed that the Hub created awareness about regenerative agricultural practices.
- 98% of respondents expressed that project staff greatly supported them in training program and creation of Good Food Corners.
- 70% of the respondents shared that Good Food Corners helped them to save enough to reinvest into their family needs. It has also given them a sense of ownership and increased their confidence.
- 81.5% of respondents reported an increase in savings between ₹500-2000 per month due to Good Food Corner and less use of pesticides and chemicals.

D. Swabhimaan:

Brief description of the project:

To reduce the difficulties experienced by drivers and their families in their day-to-day lives on a professional and financial level, "SWABHIMAAN - a holistic driver development programme" as a flagship initiative was implemented. It aimed at addressing the professional, financial, and familial level challenges faced by the driver community, and their families. It further contributed to their overall well-being.

Objectives of the project:

- To improve the overall well-being of the driver community.
- To increase knowledge and implementation of safe driving practices and vehicle maintenance amongst the existing driver community.
- Strengthening knowledge of finance management.
- To provide support to drivers' children for continuing their education.
- **Project Period:** June 2022 to March 2023
- **Total Outlay:** ₹ 9.34 Crore
- **Budget spent:** ₹ 9.34 Crore
- **Implementation Partners:** Direct & Indirect Partners

Key Findings and Recommendations:

- The Swabhimaan program covered Driver Training for Freshers, Scholarship for Drivers' Children, Auto mechanic training for youth and Financial Literacy projects.
- These projects made significant strides in supporting underserved students through the scholarship program and the skill development programs.
- By providing comprehensive training, certifications, and various skill development opportunities, the program has positively impacted the lives of its program participants, enhancing their employability and self-confidence.
- The program's unique focus on underprivileged individuals and female participation has further promoted inclusivity and empowerment.
- The quality of training provided may require enhancement to better equip program participants with the skills and knowledge needed for employment in their respective fields.

ANNEXURE II

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Mahindra & Mahindra Financial Services Limited
(CIN: L65921MH1991PLC059642)
Gateway Building, Apollo Bunder,
Mumbai, Maharashtra - 400001.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mahindra & Mahindra Financial Services Limited (CIN: L65921MH1991PLC059642)** (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended 31st March 2025 in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial year ended on 31st March 2025, according to the provisions of:

(i) The Companies Act, 2013 and the rules made thereunder to the extent applicable;

(ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:

(a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(b) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

(c) The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993; to the extent applicable to Listed entity;

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(e) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to an equity and debt listed company ("Listing Regulations");

(f) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(g) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(h) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulation,2021.

(i) The Securities and Exchange Board of India (Depositories and Participants) Regulation 2018.

(vi) The other laws as applicable specifically to the company and as examined by us are stated hereunder:

(a) The Reserve Bank of India Act, 1934;

(b) Master Direction- Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016;

(c) Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;

(d) Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015;

(e) Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs – RBI Guidelines

(f) Master Direction- Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) Directions, 2023 (Limited to Corporate Governance Compliance)

(vii) We have also examined compliance with the applicable clauses of the following:

(a) Secretarial Standards on Board Meetings and General Meetings issued by The Institute of Company Secretaries of India.

(b) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited for listing its equity and debt securities.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc.as mentioned above.

(viii) Based on the information and explanation provided to us, the Company had no transactions during the period covered under the Audit requiring the compliance of the provisions of:

(a) Foreign Direct Investment and Overseas Direct Investment;

(b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

(c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and in case of shorter notice proper consent was taken and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and recorded as part of the minutes. There were no dissenting members' views required to be captured in the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the following specific events / actions had/shall have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

(i) The Company has through private placement raised Secured Listed Rated Redeemable Non-Convertible Debentures an amount of ₹ 5,755 crore (face value). Out of this, ₹ 1123.875 crore were received as balance payment on the partly paid debentures that was issued in 2023.

(ii) ₹1,500 crore was raised through issuance of Unsecured Redeemable Non-Convertible Subordinated Debentures eligible for Tier II Capital.

The aforesaid borrowings by the Company were within the overall limits approved by the shareholders of the company under Section 180[1(c)] of Companies Act, 2013.

For **KSR & Co Company Secretaries LLP**

Dr. C.V.Madhusudhanan,
Partner
FCS:5367; CP:4408
Firm Reg No.P2008TN006400
PR.No.2635/2022
UDIN: F005367G000177033

Date: 22nd April 2025
Place: Coimbatore

This report is to be read with our covering letter of even date as it forms an integral part of this report.

To
The Members,
Mahindra & Mahindra Financial Services Limited
(CIN: L65921MH1991PLC059642)
Gateway Building, Apollo Bunder,
Mumbai, Maharashtra - 400001.

Our Secretarial Audit Report of even date **Mahindra & Mahindra Financial Services Limited (CIN: L65921MH1991PLC059642)** (hereinafter called "the Company") is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. Further, our audit report is limited to the verification and reporting of the statutory compliances on laws / regulations / guidelines listed in our report and the same pertain to the Financial Year ended on 31st March 2025.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis. Further compliance of provisions of Master Direction- Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016, Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016, Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015 and Master Direction- Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) Directions, 2023 is limited to compliance of corporate governance provisions and verification of filing of forms and returns thereunder.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **KSR & Co Company Secretaries LLP**

Dr. C.V.Madhusudhanan,
Partner
FCS:5367; CP:4408
Firm Reg No. P2008TN006400
PR. No. 2635/2022
UDIN: F005367G000177033

Date: 22nd April 2025
Place: Coimbatore

ANNEXURE- III

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis**

   There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2025, which were not at arm's length basis.

2. **Details of material contracts or arrangements or transactions at arm's length basis**

   There were no material contracts or arrangements or transactions for the year ended 31st March, 2025 as per the provisions of the Companies Act, 2013. Thus this disclosure is not applicable.

For and on behalf of the Board

Place: Mumbai
Date: 22nd April 2025

Dr. Anish Shah
Chairman
DIN: 02719429

ANNEXURE- IV

Details pertaining to the remuneration as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The remuneration of each Director, Chief Financial Officer and Company Secretary, percentage increase in their remuneration during FY2025 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY2025 is as under:

Name of Director/ Key Managerial Personnel ("KMP")	Designation	% Increase/(Decrease) in Remuneration in the financial year 2024-25 [Including perquisite value of Employees Stock Option("ESOPs")/ Restricted Stock Units / ("RSUs") exercised]	Ratio of the remuneration of each Director to median remuneration [Including perquisite value of ESOPs/ RSUs exercised] of employees for the financial year 2024-25
Dr. Anish Shah*	Non-Executive Chairman	N.A.	N.A.
Mr. Dhananjay Mungale**	Independent Director	N.A.	4.44
Mr. C. B. Bhave**	Independent Director	N.A.	10.56
Ms. Rama Bijapurkar**	Independent Director	N.A.	4.26
Mr. Milind Sarwate	Independent Director	21.05	12.78
Dr. Rebecca Nugent	Independent Director	17.39	10.00
Mr. Diwakar Gupta	Independent Director	30.00	12.04
Mr. Vijay Kumar Sharma	Independent Director	N.A.	8.33
Mr. Ashwani Ghai^	Non-Executive and Non-Independent Director	N.A.	8.70
Mr. Amarjyoti Barua*	Non-Executive and Non-Independent Director	N.A.	N.A.
Mr. Ramesh Iyer***	Vice-Chairman & Managing Director	N.A.	120.19
Mr. Raul Rebello#	Managing Director & CEO	1.28	73.15
Mr. Vivek Karve (ceased w.e.f 31st October 2024)	Chief Financial Officer	N.A.	N.A.
Mr. Animesh Chatterjee##	Chief Financial Officer	N.A.	N.A.
Mr. Pradeep Kumar Agrawal (appointed w.e.f 5th March 2025)	Chief Financial Officer	N.A.	N.A.
Ms. Brijbala Batwal@@	Company Secretary	(9.86)	N.A.

1. The remuneration of Independent Directors includes sitting fees and commission.
2. The calculations are based on employees who were on the rolls of the Company for the whole of FY 2024 and FY 2025.
3. Percentage increase in Remuneration has been reported only for persons who have been associated with the Company for whole of FY 2024 and FY 2025.
4. There has been an increment in the annual remuneration (CTC) of the Key Managerial Personnel. The percentage change in remuneration of Key Managerial Personnel as shown in the table above, is calculated basis remuneration paid during the year as reflected in their respective Form 16. The perquisite value of stock options exercised is included as Income in the year of exercise.
5. *Dr. Anish Shah, Non-Executive Chairman and Mr. Amarjyoti Barua, Non-Executive Director, being in the whole-time employment of Mahindra & Mahindra Limited ("M&M"), the Holding Company, did not receive any remuneration from the Company during the year.
6. **Mr. Dhananjay Mungale and Ms. Rama Bijapurkar ceased to be Independent Director(s) of the Company upon completion of their second term effective 23rd July 2024; Mr. C. B. Bhave ceased to be an Independent Director of the Company on completion of his second term effective close of business hours of 2nd February 2025.
7. ^Mr. Ashwani Ghai was appointed as Non-Executive Director on the Board of the Company w.e.f 23rd June 2023, representing Life Insurance Corporation of India ("LIC"). Sitting fees and commission both were paid to LIC. With effect from 1st May 2024 (post his retirement from LIC) sitting fees is being paid to Mr. Ashwani Ghai and commission will be paid to LIC.
8. ***Mr. Ramesh Iyer superannuated as Vice-Chairman & Managing Director effective close of business hours on 29th April 2024. Mr. Ramesh Iyer exercised 1,03,318 vested ESOPs on 12th July 2024, which were granted to him under ESOP Scheme 2010. No RSUs were granted to Mr. Ramesh Iyer during FY2025. 7,251 RSUs have vested as on 31st March 2025 from RSUs granted in FY2024 and same has been exercised on 13th May 2025.

9. #Details of Remuneration of Mr. Raul Rebello for FY 2025 (including details of RSUs granted to him during the year) is reported in the Corporate Governance Section of this Annual Report. Mr. Raul Rebello has not exercised any RSUs during the year.
10. ##Mr. Animesh Chatterjee was appointed as the Chief Financial Officer ("CFO & KMP") for the interim period to hold office from 29th January 2025 to 4th March 2025. His aggregate remuneration for the period he was appointed as CFO & KMP has been considered and reported in the above table.
11. @@During FY 2025, Ms. Brijbala Batwal has exercised 1,387 RSUs granted to her under MMFSL RSU Plan 2023. Due to change in exercise of value of ESOPs/ RSUs between previous year and this year, there has been a percentage decrease in remuneration as shown in the table.

I. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year:

The median remuneration of employees of the Company during FY2025 was ₹ 0.0540 Crore and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the above table.

II. The percentage increase in the median remuneration of employees in the Financial Year:

In the financial year there was an increase of 0.437% in the median remuneration of employees, taking into consideration employees who were in employment for the whole of FY2024 and FY2025.

III. Number of permanent employees on the rolls of the Company:

There were 25,261 permanent employees on the rolls of the Company as on 31st March 2025. As on 31st March 2025 there were 23,895 male employees, 1,366 female employees and there were no transgender employess on the rolls of the Company.

IV. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase made in the salaries of employees other than the managerial personnel in FY2025 was 7.90%, whereas the percentage increase in the managerial remuneration of Key Managerial Personnel ("KMP") in FY2025 was 1.75%.

Key parameters for variable component of remuneration

The remuneration of the Executive Directors is decided basis the individual performance, Company performance, inflation, prevailing industry trends and benchmarks. The remuneration of eligible Non-Executive Directors consists of commission and sitting fees. While deciding the remuneration, various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairpersonship of Committees, time spent in carrying out other duties, role and functions as envisaged in Schedule IV of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other factors as the Nomination and Remuneration Committee deemed fit were taken into consideration.

The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time.

V. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

The remuneration paid/payable is as per the Policy on Remuneration of Directors and Remuneration Policy for Key Managerial Personnel, Senior Management and other Employees of the Company.

ANNEXURE V

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for FY2025 are set out hereunder:

(A) Conservation of Energy

Your Company's operations are not energy intensive. However, adequate measures have been initiated across all branches of the Company to reduce energy consumption as your Company is committed to sustainable business practices by contributing to environment protection and considers energy conservation as one of the strong pillars of preserving natural resources.

(i) The steps taken or impact on conservation of energy:

The steps taken on conservation of energy covers:

(a) Use of 5-star Bureau of Energy Efficiency ("BEE") and Brushless Direct Current Motor ("BLDC") Fans in new and existing branches:

- Replacement of old air-conditioners ("Acs") with 5-star BEE rated machines across 109 branches (591 ACs) with R-410A/ R-32 gas, which helps in reducing Ozone depletion. The Company has taken the initiative to use environment friendly gas in air-conditioners during the year. Procurement of 5-star inverter split Acs and replacing old air-conditioning systems with updated versions has also led to savings of 214.08 Megawatts.
- Replacement of conventional fans with BLDC fans and new procurement of BLDC fans. During the year, 529 BLDC fans were procured across different branches leading to saving of 20.66 Megawatts of electricity every year.
- Green Power tariff certification for the Office premises situated at Kurla, Mumbai.
- IOT project (energy saving) for 1 branch.

(b) Recycling of waste generation at various locations:

During the year, the Company has sent 13,405 kgs of paper waste generated for responsible disposal and recycling. In return, the Company has received 193 kgs (85 Ream) of wheat base paper in exchange of paper waste.

With the above initiatives, your Company was able to ensure zero waste to Land fill.

(ii) The steps taken by the Company for utilising alternate sources of energy:

Your Company is evaluating various options available for harnessing solar power as an alternate source of energy, to be used at its various branches and offices.

(iii) The capital investment on energy conservation equipments:

Your Company has implemented various projects towards energy conservation to the tune of ₹ 3.21 crore. These projects include use of BLDC fans, use of 5-star BEE air conditioners etc.

(B) Technology Absorption:-

Your Company has been at the forefront with respect to implementing the latest information technology and tools aimed at enhancing customer experience.

Your Company has been taking several measures to promote and encourage digital collections. The Company is saving borrowers time by digitising its business processes. Digital channels facilitate communication, which leads to increased customer retention and more consistent on-time payment.

i) **The efforts made towards technology absorption:**

Initiatives taken by the Company in Information Technology for improved business efficiency: -

1. **Udaan:** The Udaan initiative leverages digital platforms, ecosystem partnerships, and branch networks to enhance customer experience. The digital loan process, supported by advanced analytics, alternative data sources, account aggregators, bank statement analysis, fraud prevention, credit assessments, digital KYC, e-stamping, e-sign, and e-mandates, reduces turnaround times and streamlines documentation, improving transparency and customer-focused financial solutions. The digital collections application offers a 360 degree customer view, featuring dashboards, loan information and payment history. Automated reminders and digital payment platforms ensure prompt collections, reduce expenses, and minimize delinquencies. Employees assist customers with repayment options, addressing concerns, and providing customized solutions, enhancing portfolio health and customer convenience.

2. **Superapp:** The redesigned Mahindra Finance Customer app provides a user-friendly interface for paying EMIs, setting reminders, viewing loan details, receiving personalized offers, and managing loans. Key features include real-time account access, quick payment options, a paperless FD booking journey, a 24/7 AI-powered chatbot, and utility payments with BBPS integration.

3. **Superbot:** Launched in December 2024, the AI-powered chatbot offers personalized assistance in four languages across the website and customer app. Over 65,000 customers have used it for instant help, resolving queries, applying for loans, and making payments.

4. **Data Analytics & AI initiatives:** AI and advanced analytics drive business growth, customer engagement, productivity, and operational efficiency. Key initiatives include a Data Lakehouse, AI-ML algorithms for customer qualification, a GenAI-powered query interface, enhanced underwriting with AI/ML models, and an AI-driven collections strategy.

5. **Cloud:** Upgraded cloud architecture ensures data protection and efficiency. The multi-cloud strategy enhances resilience and flexibility, leading to cost efficiencies and optimized resource utilization.

6. **Cyber Security:** Advanced cybersecurity tools, including DLP, XDR, SIEM, WAF, and MDM, form a multi-layered shield around digital infrastructure. A 24/7 Security Operations Centre monitors and responds to threats, while automated vulnerability management improves security. Red Team assessments validate the effectiveness of these measures.

7. **Technology- RBI Compliance:** Compliance with IT governance and outsourcing regulations includes:
   - Centralized Technology Asset Inventory for detailed asset information.
   - Enhanced IT Service Management with improved workflows and SLAs.
   - Immutable backup system and full site DR setup for resilience.
   - Comprehensive IT Risk Assessment Framework.
   - IT Outsourcing Framework with protective clauses and vendor assessments.

(ii) **The benefits derived like product improvement, cost reduction, product development or import substitution:**

- **Udaan:** 77% non-cash collections.
- **Customer App:** Available in 12 languages, 4.5L+ App sign-ups since launch of revamped version in Dec 2024, high Appstore & Play store ratings.
- **AI Powered Chatbot:** Available in 4 languages, 35L+ messages exchanged.

(iii) **In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):**

Not Applicable.

(iv) **The expenditure incurred on Research and Development:**

Your Company has not incurred any expenditure on Research and Development during the year under review.

(C) Foreign Exchange Earnings and Outgo

There was no foreign exchange earning during the year under review. Details of foreign exchange earnings and outgo for previous year is also mentioned below:

(₹ in crore)

Total Foreign Exchange Earnings and Outgo	For the Financial Year ended 31st March 2025	For the Financial Year ended 31st March 2024
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	627.81*	621.12**

*Foreign Exchange Outgo for the financial year ended 31st March 2025 include ECB loan repayment of ₹ 589.37 crore.

**Foreign Exchange Outgo for the financial year ended 31st March 2024 includes ECB loan repayment of ₹ 350 crore and acquisition of 20% equity stake in Mahindra Insurance Brokers Limited, subsidiary of the Company (wholly owned subsidiary w.e.f. 22nd September 2023) for ₹ 206.39 crore.

For and on behalf of the Board

Dr. Anish Shah
Chairman
DIN: 02719429

Place: Mumbai
Date: 22nd April 2025

ANNEXURE VI

POLICIES

Your Company is committed to adhere to the highest standards of ethical, moral and legal business conduct. Considering this, your Company has formulated certain policies, codes, framework, guidelines inter-alia, in accordance with the requirements of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 ("Master Direction"), and applicable Reserve Bank of India ("RBI") Guidelines and Circulars issued from time to time. The policies and certain codes as mentioned below are available on the Company's website and can be accessed in the Corporate Governance section at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies. These policies, codes, guidelines, framework are reviewed annually and are updated as and when needed. During the year, the Company had revised and adopted some of its policies, guidelines, codes, framework in order to inter-alia ,align the same with statutory changes. A brief description about some of the Key Policies adopted by the Company is as under:

Sr No	Name of the Policies/ Guidelines/ Codes/ Framework	Brief Description/ Objective	Summary of the key changes made to the Policies/ Guidelines/ Codes/ Framework during FY2025 and up to the date of this report
1	Policy for appointment of Statutory Auditors	The Policy was adopted by the Board during FY2022 in accordance with the provisions stipulated in RBI Circular dated 27th April 2021.	Policy was amended to, inter-alia, cover independence of auditors and annual review of performance of statutory auditors in compliance with the RBI Guidelines.
2	Anti-bribery and Anti-corruption (ABAC) Policy	The Policy was adopted by the Board during FY2022 and designed to provide a framework for ensuring compliance with various legislations governing bribery and corruption globally and provides guidance on the standards of behaviour which the Company's employees must adhere to.	No change was made to the policy during the year.
3	Policy on Co-Lending Model	Pursuant to Reserve Bank of India ("RBI") notification, Board has adopted the Policy to improve the flow of credit to the unserved and under-served sector of the economy and make available funds to the ultimate beneficiary at an affordable cost.	During the year under review the policy was, inter-alia, amended to include provisions for no deviation in minimum CRAR norms, providing limits for co-lending exposure to AUM of originator, provide for minimum credit ratings required for disbursals.
4	Whistle Blower Policy	The Vigil Mechanism as envisaged in the Act and Listing Regulations is implemented through the Whistle Blower Policy to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.	No change was made to the policy during the year
5	Policy for determination of Materiality of any Event/ Information	This Policy requires the Company to make disclosure of events or information which are material to the Company as per the requirements of Regulation 30 of the Listing Regulations.	The Policy was amended to inter-alia align with statutory amendments to Listing Regulations, include provisions of market rumour verification etc.
6	Policy for determining Material Subsidiaries	The Policy is used to identify material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.	The Policy was amended for better comprehension and align with statutory amendments made in Listing Regulations i.e. to include revised definition of Material Subsidiary.
7	Policy on Materiality of and dealing with Related Party Transactions	The Policy has been framed in order to regulate all the transactions between the Company and its related parties.	The Policy was amended to ensure better comprehension & articulation, align with statutory requirements and amendments made to Listing Regulations and align with the Industry Standards Note to incorporate minimum information to be provided to Audit Committee and shareholders for approval of related party transactions.
8	Policy on Appointment of Directors and Senior Management and succession planning for orderly succession to the Board and the Senior Management	The Policy includes the criteria for determining qualifications, positive attributes and independence of a Director, identification of persons who are qualified to become Directors and who may be appointed in the Senior Management Team in accordance with the criteria laid down in the said Policy, Succession Planning for Directors and Senior Management and Policy statement for Talent Management framework of the Company.	During the year under review, the Policy was amended to, interalia, align with the amendments in the Listing regulations.
9	Policy for Remuneration of Directors	The Policy sets out the approach of the Company towards the Compensation of Directors of the Company.	The Policy was amended to inter-alia, align with existing legal provisions.
10	Policy on remuneration for Key Managerial Personnel, Senior Management Personnel and other Employees	The Policy sets out the approach towards the Compensation of Key Managerial Personnel, Senior Management Personnel and other Employees of the Company.	The Policy was amended to, inter-alia, align with the amendments in the Listing regulations and provide flexibility in compensation structuring.
11	Policies on Sexual Harassment for Women and Male Employees	The Policy on Sexual Harassment for Women is for redressal of complaints received regarding sexual harassment and compliance of other provisions as per the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company from a good governance perspective, has adopted and made the same applicable for its male employees too.	No change was made to the policy during the year.
12	Internal Guidelines on Corporate Governance ("IGC")	IGC has been formulated to comply with RBI Notification dated 8th May 2007 as updated vide RBI Master Directions.	IGC was amended to inter-alia, include details of new committees constituted during the year, incorporate revised terms of reference of various committees as approved by the Board, align with RBI Master Directions and statutory amendments etc.
13	Fair Practices Code ("FPC")	FPC has been devised in accordance with the RBI guidelines on Fair Practices Code to be adopted by Non-Banking Financial Companies while doing lending business.	FPC was amended to inter-alia, include provisions for Penal Charges in loan accounts , provide Loan facilities to physically/visually challenged.

Sr No	Name of the Policies/ Guidelines/ Codes/ Framework	Brief Description/ Objective	Summary of the key changes made to the Policies/ Guidelines/ Codes/ Framework during FY2025 and up to the date of this report
14	Code of Conduct for Directors and Code of Conduct for Senior Management and Employees	The Board of your Company has laid down two separate Codes of Conduct, one for Board Members and another for senior management and other employees of the Company. This Code is the central Policy document, outlining the requirements that the employees working for and with the Company must comply with, regardless of their location.	No change was made to the Code during the year.
15	Dividend Distribution Policy	The Dividend Distribution Policy is adopted in compliance with Listing Regulations to guide the Company in making payment of dividends.	No key changes were made to the Policy during periodical review.
16	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	The Code has been formulated to ensure prompt, timely and adequate disclosure of Unpublished Price Sensitive Information ("UPSI") which inter alia includes Policy for Determination of "Legitimate Purposes".	The Code was amended in order to incorporate the provisions pertaining to market rumour verification in line with amendment of Listing Regulations.
17	Corporate Social Responsibility ("CSR") Policy	The Policy defines and lays down the guiding principles and strategies implementing the Company's CSR initiatives & outlines the Board's vision and approach for undertaking CSR and creating impact in the communities.	No change was made to the Policy.
18	Archival Policy	As per the Policy, the events or information which has been disclosed by the Company to the Stock Exchanges pursuant to Regulation 30 of the Listing Regulations shall be hosted on the website of the Company for a period of 5 years from the date of hosting on the website.	Policy was amended to include provisions for archival of audio/video recordings if, any of post earnings/ quarterly calls.
19	Business Responsibility and Sustainability Policy ("BRSR Policy")	BRSR Policy, inter-alia, incorporates sustainability elements and aligns the Policy with National Guidelines on Responsible Business Conduct ("NGRBC").	No change was made to the Policy.
20	Policy for preservation of documents	The Policy was framed with regard to the preservation of documents in physical and electronic mode.	No change was made to the made to the Policy.
21	Compliance Risk Assessment Framework and Compliance Testing("CRAFT")	CRAFT has been formulated in compliance with RBI Circular dated 11th April 2022 to inter-alia, assess the effectiveness of regulatory compliance and control effectiveness.	Changes were made to the framework to bring consistency in testing process.
22	Compliance Policy	Compliance Policy has been formulated in compliance with RBI Circular dated 11th April 2022 to inter-alia include compliance monitoring mechanism, testing procedure and reporting requirements including risk assessment.	During the year under review, the role of Chief Compliance Officer (CCO) and compliance function was amended to change periodicity of evaluation of compliance function to annually, specifying frequency of meetings of CCO with Audit Committee on quarterly basis, submit report on annual basis for review of compliance risk etc.

Sr No	Name of the Policies/ Guidelines/ Codes/ Framework	Brief Description/ Objective	Summary of the key changes made to the Policies/ Guidelines/ Codes/ Framework during FY2025 and up to the date of this report
23	Policy on claiming of unclaimed amounts by NCS holders	Policy was adopted by the Board in compliance SEBI circular 8th November 2023, specifying the process to be followed by the investors for claiming their unclaimed amounts.	No change was made.
24	Investor Grievance Redressal Policy	As a good governance practice, the Company has framed an Investor Grievance Redressal Policy which, inter-alia, mentions the grievance handling mechanism, escalation matrix and contact details of concerned team members from the Company and RTA to be contacted in relation to investor related services.	Changes were made to the policy to update the contact details of concerned persons.
25	Business Continuity Management Policy ("BCP Policy")	Policy has been formulated to establish a framework for managing Business Continuity Risk and the intended manner in which the Company shall manage the said risks to protect the interests of the Company's customers, employees and stakeholders.	No change was made to the Policy.

New Policies adopted during FY2025.

Sr No	Name of the Policy	Brief Description/ Objective
1	Staff Accountability Policy	The Company has framed an Staff Accountability policy in accordance with RBI Master Directions. This policy inter-alia addresses the staff accountability issues at an organization level which could be triggered due to various instances like Non adherence to guidelines, Code of Conduct and regulatory actions/ penalty. The policy would enable the Company to ensure a culture of compliance and policy adherence at all levels.
2	Policy for Identification & Reporting of Wilful Defaulters and Large Defaulters to CICs (Credit Information Companies)	This policy was formulated in compliance of RBI Master Directions on Treatment of Wilful Defaulters and Large Defaulters dated 30th July 2024.The objective of the Policy is to report wilful defaulters & large defaulters to CICs on a monthly basis and its specifically covers details of Identification of wilful defaulters, penal measures, and reporting to CICs and aims at ensuring a consistent reporting of an applicant, co-applicant, or guarantor, aiming to mitigate the risk of future on boarding of wilful defaulters and large defaulters.
3	Resource Planning Policy	This policy has been formulated in compliance with regulatory requirement to inter-alia, plan horizon, periodicity of private placement to define with respect to Company's borrowing plan/resource planning, within the overall boundaries of Liquidity Risk Management Policy.
4	Information Security - UIDAI Policy	The Policy has been formulated in compliance with regulatory requirements to establish a comprehensive framework for safeguarding the data and aims to ensure Data Protection, Maintain System Integrity, comply with Legal Requirements, Foster Trust, Promote Continuous Improvement.

In addition to above policies, your Company has, inter-alia, adopted Policies in compliance with Master Directions, Guidelines, notifications /circulars issued by from time to time . The Policies, Code adopted by your Company during the year, include Policy for Cloud Adoption and Governance policy, Fraud Risk Management Policy, Data Migration policy, Service Request Management policy, IT Governance Policy, Code for Right sell, Disaster Recovery Policy and Capacity Management Policy etc.

Management Discussion and Analysis

Mahindra & Mahindra Financial Services Limited

- An overview

Mahindra & Mahindra Financial Services Limited (Mahindra Finance/MMFSL) is a subsidiary of the Mahindra Group's flagship company Mahindra & Mahindra Ltd. (M&M) (market capitalisation: ₹3.44 trillion as on 21st April 2025), one of India's leading business conglomerates.

MMFSL is a leading upper layer deposit taking non-banking finance company (NBFC) that provides a range of financial products and services to borrowers in Emerging India.

Our Company is a formidable player in the financing of new and pre-owned automotive vehicles, tractors and commercial vehicles. **The vision of MMFSL is to be a "Leading and responsible financial solutions partner of choice for Emerging India".**

Our new businesses include MSME lending and leasing, and our strategic emphasis is on the rural and semi-urban markets. We have had the opportunity to serve over 11 million customers since inception, relying on our extensive network spread across 1,365 offices covering 27 states and 7 union territories in India. Our 'AAA' credit rating is a sign of the inherent strength of our robust financial position and parentage.

Economy Overview

Global Economy

The global economy in 2024 exhibited both progress and emerging challenges. Inflation eased from multidecade highs but showed uneven trends, with core goods inflation seeing an uptick late in the year and services inflation being on a downward trend. Labour markets stabilised, as unemployment returned to pre-pandemic levels. Trade dynamics faced disruptions from widespread U.S. tariffs, which triggered historic equity market corrections, spikes in bond yields and amplified policy uncertainty. Trade activity, particularly driven by heightened Chinese exports and U.S. imports, showcased the capacity of economies to pivot effectively amid evolving policy landscapes.

Geopolitical tensions remained heightened, posing risks to international monetary system. Primary commodity prices rose by 1.9% between August 2024 and March 2025, driven by increases in natural gas, precious metals, and beverage prices. Conversely, oil prices declined due to concerns over reduced global demand from trade tensions, alongside robust production growth outside OPEC+ and the gradual reversal of OPEC+ supply cuts. The global economic environment is thus poised for significant shifts in 2025, driven by evolving market dynamics, geopolitical realignments and structural transformations across industries.

Global growth forecast (%)

Particulars	2024	2025 (P)	2026 (P)
World	3.3	2.8	3.0
Advanced Economies	1.8	1.4	1.5
▪ United States	2.8	1.8	1.7
▪ Euro Area	0.9	0.8	1.2
Emerging Markets & Developing Economies	4.3	3.7	3.9
▪ China	5.0	4.0	4.0
▪ India	6.5	6.2	6.3

Source: International Monetary Fund April 2025 report

Outlook

The global economy faces increasing headwinds in 2025, with growth expected to moderate to 2.8%. Trade tensions continue to weigh on investment sentiment, while widespread tariffs amplify inflationary pressures. Advanced economies are anticipated to experience slower growth due to subdued consumption and fiscal constraints. Emerging markets are likely to see uneven progress, with domestic vulnerabilities and structural challenges hampering recovery in some regions, particularly in Asia.

Inflation is anticipated to decline gradually; however, risks persist due to supply chain disruptions and volatile commodity prices. Faster progress on disinflation and stronger demand in key economies could result in greater-than-expected global activity. While uncertainties surrounding trade policies and inflation persist, proactive fiscal measures and international collaboration are expected to mitigate risks. By leveraging innovation, strategic investments, and policy realignments, the global economy remains well positioned to sustain growth and unlock new opportunities.

Indian Economy

The Indian economy demonstrated resilience amidst global uncertainties during FY2025, supported by robust domestic growth drivers and sound macroeconomic fundamentals. Despite external headwinds from escalating trade tensions and a weakening global outlook, India continues to be one of the fastest-growing major economy. Key sectors such as agriculture benefited from favourable monsoon, higher summer sowing acreage, and strong rabi and kharif harvests, ensuring food security and stable rural incomes. Industrial and services activities remained buoyant, with manufacturing PMI reaching an eight-month high in March 2025, driven by increased new orders and output. Inflation moderated significantly, with headline CPI inflation declining to a 67-month low of 3.3% in March 2025, primarily due to easing food prices. The financial sector remained stable, supported by proactive liquidity measures by the Reserve Bank of India. These developments underscore India's strong macroeconomic fundamentals and its ability to navigate global uncertainties effectively.

Outlook

With a robust demographic dividend, accelerating digital transformation, and a strong reform-driven policy framework, the Indian economy stands poised to emerge as a global powerhouse. The agricultural sector is expected to maintain its momentum, supported by bumper harvests and favourable reservoir levels, though potential risks from heatwaves warrant close monitoring. Industrial activity is anticipated to gain further traction, driven by increased manufacturing capacity utilisation, higher private sector investments, and government initiatives under the Production Linked Incentive (PLI) scheme. The services sector is likely to remain a key contributor, fuelled by strong demand in technology, fintech, and infrastructure services. Inflationary pressures are expected to remain manageable, supported by stable commodity prices and proactive monetary interventions. Going forward, India is expected to benefit from supply chain realignments and engagement with global investors seeking stability and scale, given its already established trade linkages. India is not only shaping its growth story but also playing a pivotal role in the future of the world economy. The path forward for the Indian economy is brimming with opportunity, fuelled by ambition and committed to inclusive progress.

Macro-Economic Snapshot - India

Particulars	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Real GDP growth (%)	6.8	6.5	3.9	(5.8)	9.7	7.0	7.6	6.5
CPI inflation (%)	3.6	3.4	4.8	6.2	5.5	6.7	5.1	4.6
WPI inflation (%)	2.9	4.3	1.7	1.3	13.0	9.4	0.4	2.3
Merchandise exports (%)	10.3	9.1	(5.0)	(7.5)	44.8	6.3	(3.7)	0.1
Merchandise imports (%)	19.5	10.3	(7.6)	(16.6)	55.3	16.6	(5.5)	6.2
Current account balance (% of GDP)	(1.8)	(2.1)	(0.9)	0.9	(1.2)	(2.0)	(1.0)	(1.1)*
Exchange rate (₹/$ - avg.)	64.5	69.9	70.9	74.2	74.5	80.4	82.8	84.5
10-year yield (% - March-end)	7.3	7.5	6.9	6.3	6.8	7.3	7.1	6.6

Source - Department of Economic Affairs, RBI

* Current account balance as of Q3 FY2025

Industry Overview

Indian Financial Services Industry Overview

FY2025 witnessed robust growth in India's financial sectors, marked by improved banking metrics, significant financial inclusion, thriving capital markets, and strong macroeconomic fundamentals.

- **India's monetary and financial sectors** displayed resilience and stability, fostering inclusive growth and economic development with 6.5% GDP growth in FY2025.
- **Banking sector performance** grew steadily with credit growth aligning with deposit growth, while scheduled commercial banks improved profitability, evidenced by declining gross non-performing assets and a higher capital-to-risk weighted asset ratio.
- **RBI's Financial Inclusion Index** rose significantly from 53.9 in March 2021 to 64.2 in March 2024, driven by government-backed infrastructure financing.
- **Indian stock markets** reached new highs by Dec 2024, outperforming other emerging markets despite global uncertainties. Market growth was fuelled by strong macroeconomic fundamentals, healthy corporate earnings, supportive institutional investment and robust SIP inflows (35% up YoY).

Outlook

India's financial sector has demonstrated strength midst challenging geopolitical conditions, showcasing robust performance across banking, capital markets, insurance, and pensions. System liquidity remains in surplus, while banks exhibit strong financial health, evidenced by narrowing credit-deposit growth gaps and improved profitability. The financial sector is undergoing a transformation, characterised by rising consumer credit, increased non-bank financing, and the surging popularity of equity-based financing. These trends signify diversification and innovation in financial services but also pose incremental regulatory challenges. The expansion of consumer debt, unsecured lending, and the influx of young investors into equity markets highlight the need for balanced growth and stability in the sector. While these developments mark a new era for India's financial landscape, they require careful oversight to ensure stability and sustainability amidst rapid change.

Indian NBFC Industry

India, as one of the fastest growing and largest economies globally, presents a conducive environment for the expansion of its credit market. The total NBFC credit outstanding stood at approximately ₹ 52 trillion as of December 2024 and is projected to cross ₹ 60 trillion by FY2026, reflecting the sector's continued expansion. Amongst banks, NBFC and All India Financial Institutions, NBFCs have maintained 21-24% share of credit from FY2017 to FY2024. As India targets becoming a $5 trillion economy in the coming years, the demand for financing is set to increase, underscoring the vital role of NBFCs in supporting economic growth and development.

Retail loans, which accounted for 58% of total NBFC credit in December 2024, remain the cornerstone of growth. Unsecured business loans accounted for 28% of retail NBFC credit in December 2024. Earlier, RBI had raised risk weights by 25 bps to 125% on unsecured retail loans, due to its indiscriminate growth, especially in personal loans and credit cards. Asset segments such as microfinance, personal loans, credit cards and unsecured business loans witnessed higher stress in FY2025, leading to higher delinquencies and write-offs.

Over the years, NBFCs have significantly strengthened their balance sheets, marked by reduced leverage and improved asset quality, with a notable shift towards the retail segment. NBFCs are effectively utilising digital data to improve credit assessments and operational efficiency. The interest of equity investors remains strong and there is vast pool of debt capital overseas which is largely untapped. With such a stable foundation, the sector remains well-positioned to navigate the evolving regulatory environment while maintaining momentum.

Growth Drivers for the Indian NBFC Industry

1. Digital Transformation and Technological Advancements

NBFCs are increasingly leveraging digital technologies to enhance operational efficiency, manage fraud, and improve customer engagement. The adoption of super apps, digital sourcing platforms, and strategic partnerships with fintech firms is driving innovation and reshaping the lending landscape.

2. Focus on Key Segments

i. **Retail Loans:** The retail lending sector remains a key driver of growth, with strong demand for home loans, vehicle financing, and personal loans. Favourable demographic trends, rapid urbanisation, and rising disposable income are further driving growth in this segment.

ii. **Micro, Small and Medium Enterprises (MSME) Financing:** The strength of the MSME sector presents significant opportunities for NBFCs, particularly through tailored financial solutions such as factoring, supply chain financing, and unsecured business loans.

3. Financial Inclusion

India has made significant progress in financial inclusion, with a total of 55.1 crore beneficiaries under the Pradhan Mantri Jan Dhan Yojana (PMJDY) Scheme as of March 2025. NBFCs play a crucial role in bridging the credit gap for underserved and unbanked populations. By leveraging technology and customised product offerings, they are driving financial inclusion across rural and remote regions, ensuring wider access to credit and banking services.

4. Sustainability and EV Financing

The Government's push for eco-friendly projects, including solar energy, waste management, and sustainable infrastructure, has opened new avenues for NBFCs in green financing and impact investing. With the rapid adoption of electric vehicles in India, NBFCs are capitalising on emerging opportunities in green finance.

5. Healthy Asset Quality Levels

While concerns persist over rising household indebtedness and asset quality risks in unsecured lending (such as personal loans and microfinance), NBFCs that prioritise proactive risk management, digital credit monitoring, and diversified lending portfolios are better positioned to maintain financial stability and portfolio health.

Key Regulatory Developments in the NBFC Industry

1. **Harmonising Housing Finance Companies (HFCs) Directions**: The Reserve Bank of India (RBI) has introduced revised regulations for HFCs and NBFCs to align the HFC Master Directions with the Scale-Based Regulation (SBR) framework. Effective from 1st January 2025, these amendments aim to eliminate regulatory inconsistencies and ensure a standardised regulatory structure across financial entities.

2. **Scale-Based Regulation (SBR)**: The RBI continued to implement and strengthen its four-tier classification for NBFCs - Base, Middle, Upper and Top Layer - based on their asset size, systemic importance and business operations in FY2025. This framework aimed to mitigate regulatory arbitrage, strengthen financial stability and ensure that NBFCs are subject to appropriate levels of supervision and compliance requirements.

3. **Bank Credit to NBFCs:** Risk weights for bank credit to NBFCs were restored, aligning them with the external rating as prescribed under RBI Basel III capital regulations. RBI cut the risk weights of bank loans to NBFCs by 25 bps depending on the ratings.

4. **Guidance Note on Operational Risk Management & Operational Resilience:** On 30th April 2024, the Reserve Bank of India (RBI) released an updated Guidance Note on Operational Risk Management and Operational Resilience. The guidelines brings the Basel Committee on Banking Supervision (BCBS) Principles and international best practices into line with RBI rules.

5. **Budgetary Reforms in the Indian Financial Services Industry**: The Union Budget for FY2026 introduced several key reforms aimed at enhancing investment, improving financial accessibility and streamlining regulations to promote economic growth. The major highlights include:

   - **FDI in Insurance Sector**: The FDI limit in the insurance sector is raised from 74% to 100% for companies that reinvest the entire premium within India.
   - **Credit Enhancement Facility by National Bank for Financing Infrastructure and Development (NaBFID)**: A Partial Credit Enhancement Facility will be established by NaBFID to support corporate bonds for infrastructure financing.
   - **Grameen Credit Score**: Public Sector Banks will develop a 'Grameen Credit Score' framework to improve credit access for Self-Help Group (SHG) members and rural communities.
   - **Tax Relief & Vehicle Demand:** The new tax regime exempts incomes up to ₹12 lakh, increasing disposable income, and may potentially boost demand for passenger cars, two-wheelers and three-wheelers.
   - **Boosting Auto & EV Financing Through Policy Reforms:** The Government's ₹ 7,000 crore+ allocation across Auto PLI, PM E-Drive, ACC PLI and PM e-Bus Sewa schemes is set to drive vehicle demand, creating opportunities for auto financing. The removal of customs duties on 35 key EV battery components will reduce production costs, making EVs more affordable and increasing financing prospects in the segment. The Dhan-Dhaanya Krishi Yojana, is expected to support 1.7 crore farmers to enhance agricultural productivity, improve irrigation facilities and facilitate long-term and short-term credit.

   These regulatory initiatives aim to fortify the NBFC sector by enhancing financial stability, encouraging responsible lending practices and ensuring that digital advancements align with consumer protection and financial inclusion goals.

Outlook

India's NBFC sector is poised for sustained growth, supported by a thriving economy, robust balance sheets, and diverse portfolio offerings. Its resilience, adaptability, and niche focus on last-mile credit delivery remain key strengths, enabling it to drive significant contributions to India's economic development. With healthy liquidity and stronger balance sheets, the sector is well-positioned to meet rising retail credit demand. India's GDP, projected to grow at an average of 6.7% between FY2025 and FY2031, will offer additional tailwinds to the sector's growth trajectory.

RBI's push for regulatory alignment with banks is prompting larger NBFCs to enhance governance and risk management practices, boosting sectoral stability. Digital adoption is enabling better outreach, customer onboarding, and credit assessment, particularly in underserved areas. However, challenges such as rising borrowing costs, fintech competition, and funding constraints for smaller NBFCs persist. With sound regulation, technological agility, and strong demand, NBFCs remain critical to last-mile credit delivery.

Vehicle Financing Industry

Growth in the vehicle financing industry was driven by consistent demand across urban and rural markets. This growth was underpinned by the Indian automobile industry's performance in FY2025, which sustained its momentum with a 7.3% rise in domestic sales, reflecting strong domestic demand and growing global interest in Indian-made vehicles. Passenger Vehicles (PV) achieved a record sale of 4.3 million units with Utility Vehicles (UVs) leading the charge and accounting for 65% of PV sales. Two-Wheelers saw a healthy 9.1% growth to reach 19.6 million units, supported by rural recovery and increasing preference for scooters. Three-Wheelers also posted their highest-ever sales at 0.7 million units, aided by rising demand for last-mile mobility solutions, especially in the passenger sub-segment. While Commercial Vehicles (CV) experienced a marginal decline of 1.2%, the segment showed late-year recovery and posted strong export growth of

23.0%, supported by infrastructure expansion and fleet upgradation trends.

Electric vehicle (EV) adoption also saw a notable increase in FY2025, with total registrations rising 16.9% to 2.0 million units. Registration of all types of e-Three Wheelers grew by 10.5% in FY2025 as compared to FY2024, with registrations of close to seven lakh units. Government initiatives such as the Electric Mobility Promotion Scheme (EMPS), PM E-Drive and PM e-Sewa, along with new EV model launches, have played a crucial role in accelerating EV penetration.

Domestic Sales (in million units)

Category	FY2022	FY2023	FY2024	FY2025
Passenger vehicles	3.07	3.89	4.22	4.30
Commercial vehicles	0.72	0.96	0.97	0.96
Three-wheelers	0.26	0.49	0.69	0.74
Two-wheelers	13.57	15.86	17.97	19.61
Grand total	**17.62**	**21.20**	**23.85**	**25.61**

(Source: Society of Indian Automobiles Manufacturers)

Outlook

The automotive industry is expected to sustain its growth momentum in FY2026, driven by stable macroeconomic conditions, government initiatives, and infrastructure investments. A normal monsoon, reforms in personal income tax, and RBI's recent rate cuts are anticipated to boost demand, particularly in rural and semi-urban areas, while increasing accessibility to vehicle financing. New model launches & growing interest in electric vehicles are likely to further support growth in the industry. Vehicle finance AUM is projected to reach ~₹9.4 lakh crore by March 2026, growing at a CAGR of 15-16% during FY2025 - FY2026. While challenges such as tightened financing norms and global trade uncertainties persist, strategic marketing and innovation in passenger vehicles could help address subdued consumer sentiment. Overall, the auto sector is poised for incremental growth, contingent on effective management of financing, inventory, and evolving global trade dynamics.

Small and Medium Enterprise (SME) Financing Industry

The Micro, Small, and Medium Enterprises (MSME) sector remains key for India's economic growth, contributing significantly to employment, manufacturing, and exports. With over 5.9 crore registered MSMEs employing more than 25 crore individuals, the sector accounts for 45.8% of total exports as of FY2025. However, SMEs continued to face challenges in accessing formal credit, with a persistent financing gap limiting their ability to expand operations, invest in technology and sustain long-term growth. To bridge this gap, the Government introduced various initiatives aimed at improving credit access for SMEs. The Union Budget for FY2026 presents a comprehensive strategy to strengthen the MSME sector by enhancing credit access, supporting entrepreneurship and introducing sector-specific initiatives. It focusses on revised classification norms, improved credit guarantees and customised financial products, while continuing to empower MSMEs through key programmes such as Udyam Registration, Pradhan Mantri Vishwakarma Kaushal Samman (PM Vishwakarma), Prime Minister's Employment Generation Programme (PMEGP) and the Public Procurement Policy, along with new institutional and mission-based support.

Outlook

The outlook for the MSME sector in FY2026 remains optimistic, supported by sustained policy initiatives focused on digital transformation, export promotion, and sustainable development. Government efforts to integrate MSMEs into global value chains through trade agreements and manufacturing incentives are expected to gain momentum. The expansion of platforms like Udyam Assist and improved access to formal credit will further aid the formalisation of micro-enterprises. As India progresses toward a $5 trillion economy, MSMEs are projected to contribute over $2 trillion, playing a vital role in driving inclusive growth and economic expansion.

Housing Finance Industry Overview

The housing finance market is undergoing rapid expansion, driven by structural factors such as improved affordability, rising urbanisation, increasing nuclear families, premiumisation in housing demand, and government initiatives like 'Housing for All'. Government's continued emphasis on affordable housing through initiatives like PMAY 2.0 (Pradhan Mantri Awas Yojana) is further bolstering the demand for housing finance.

Affordable Housing Finance Companies (AHFCs) play a complementary role in expanding the reach of housing finance to underserved segments of the population, leveraging innovative products and digital platforms to cater to diverse customer needs.

Banks and housing finance companies (HFCs) are positioned to benefit from distinct market segments, with banks concentrating on high-ticket loans for salaried individuals in metropolitan and urban areas, while HFCs focus on smaller-ticket loans for self-employed borrowers in tier 2 and below cities using assessed income models. HFCs have maintained a stable market share of 18-19%, supported by their specialised offerings and extensive geographic reach. The sector's ability to attract equity investments stems from its secured lending practices, deeper penetration into affordable housing, and low credit costs. Additionally, reduced gearing levels following liquidity challenges in recent years have further bolstered the financial stability and capitalisation of housing finance institutions.

HFCs have witnessed a rebound in profitability metrics to pre-pandemic levels, driven by easing credit costs and improving margins. While HFCs have seen a healthy loan growth, challenges such as tighter liquidity, intensified competition, and cautious credit policies in riskier segment could pose risks to sustained growth in future.

Outlook

Favourable demographics, low mortgage penetration, rising per capita income and government push to affordable housing through PMAY-U scheme are expected to sustain the demand for housing loans for years to come.

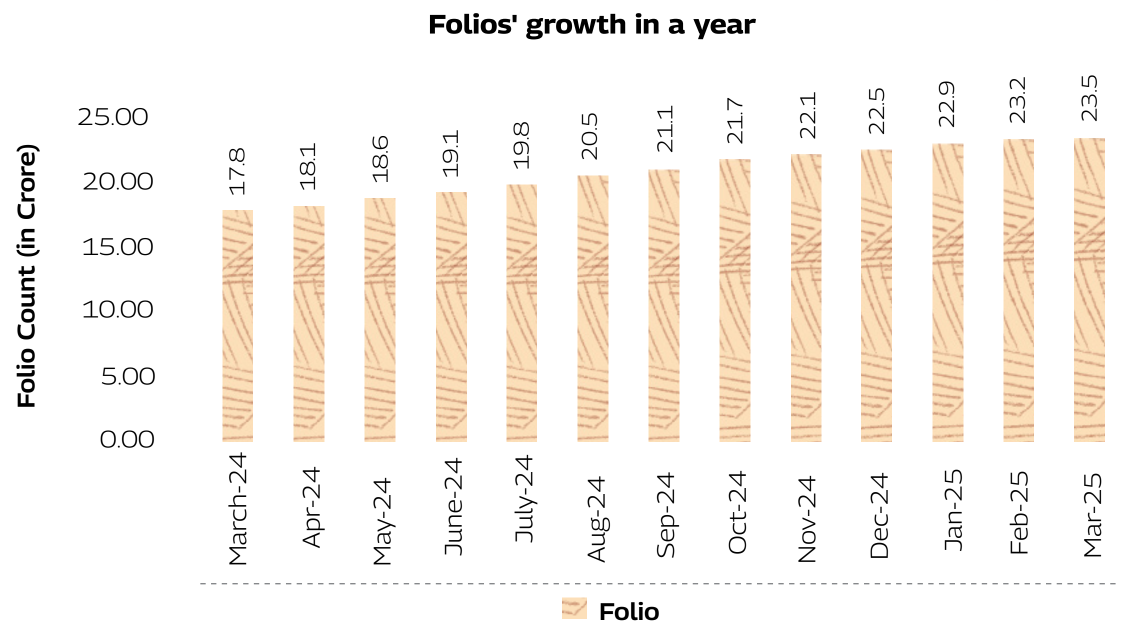
The housing loan market is projected to experience robust growth over the medium term, with HFCs anticipated to maintain a healthy balance sheet. Gearing levels, which have moderated due to fundraising and enhanced accruals, are expected to rise as entities leverage their equity. The wholesale segment within the HFC portfolio is positioned for cautious expansion, contributing to a gradual increase in its share of the overall portfolio mix. Asset quality risks remain minimal, with gross non-performing assets projected to remain stable. Credit costs are anticipated to stay within a manageable range, supporting profitability. A favourable growth environment, coupled with stable credit costs and declining funding costs, is expected to sustain strong returns on assets for HFCs in the foreseeable future.

Mutual Funds Industry Overview

The Indian mutual fund industry in 2025 stands at a pivotal juncture, reflecting remarkable growth and transformation. As of March 2025, the industry's assets under management (AUM) have surged to ₹ 65 trillion. Systematic Investment Plan (SIP) contributions have also witnessed exponential growth, reaching ₹ 25,900 crore monthly, underscoring the rising preference for disciplined investing. Despite these achievements, mutual fund penetration remains limited to approximately 3.6% of the population, highlighting significant untapped potential.

The industry is increasingly focussed on addressing challenges such as low financial literacy, limited accessibility in Tier-2 and Tier-3 cities, and the dominance of traditional savings instruments. Strategic interventions, including simplified onboarding processes, vernacular communication, and innovative product offerings like passive funds and lifecycle-based schemes, are being implemented to broaden participation.

Mutual Fund Folio's Growth in FY2025 (in crore)



(Source: AMFI)

Outlook

The mutual fund industry is projected to align with global standards by 2047. The number of AMCs are expected to grow from 44 to 212. The retail-institutional AUM mix is expected to shift from 64:36 to 70:30, driven by sustained market returns and mutual fund penetration increasing from 3.6% to 15% of the population. Unique investors are projected to rise from 4.5 crore to 26 crore, with average retail-AUM per retail investor reaching ₹74 lakh, reflecting deeper market participation and wealth creation. The mutual fund industry is poised to catalyse India's wealth creation story as India becomes a nation where financial well-being is not just an aspiration but a widespread reality.

Insurance Industry Overview

India's insurance industry is witnessing strong growth, driven by economic expansion, favourable demographics, digitalisation, and regulatory reforms. Life insurance is benefiting from rising awareness and digital adoption, while non-life segments like health and motor are expanding due to regulatory support. In FY2025, India's life insurance industry recorded a 5.1% growth in new business premiums, reaching ₹3.97 lakh crore — a marked improvement over the 2% growth reported in the previous year. The New Business Premium (NBP) of private sector life insurance companies expanded 9.8% to ₹1.71 lakh crore in FY2025. The sector showed resilience despite market headwinds, driven by sustained demand for protection and long-term savings products. In FY2025, the non-life insurance industry crossed the ₹3 lakh crore premium milestone but recorded muted growth relative to previous years.

Outlook

Insurance industry in India is expected to be the fastest-growing insurance market in the G20 over the next five years. The Insurance Regulatory and Development Authority of India (IRDAI) continues to promote digital transformation and customer-centric policies, which are expected to further streamline operations and improve customer engagement.

The life insurance sector is anticipated to benefit from increased demand for protection and savings products, especially among the younger population. In the non-life segment, health insurance is expected to grow, driven by rising healthcare costs and heightened health awareness. However, challenges such as climate change and environmental risks may impact underwriting practices and claims management.

Insurance brokers are poised to play a crucial role in this evolving landscape by offering personalised risk solutions and leveraging technology to enhance customer experience.

Business Review

The business environment has witnessed a stable growth with further strengthening of our position in the financing of passenger vehicles, pre-owned vehicles, and tractors. The disbursement of ₹ 57,900 crore was the highest ever, an increase of 3% over the previous year. This helped our loan book to exceed ₹ 1,19,000 crore. Our growth comes from expanding our scale in rural and semi-urban areas, while also building presence in the mass affluent customer segment in Emerging India. New business verticals like SME lending (including loans against property) and leasing are also being scaled up.

We consistently maintain our leadership positions in the financing segments for tractors and Mahindra Utility Vehicles (UVs). During this period, we have observed a further improvement in our disbursement across various manufacturers. We are actively collaborating with auto aggregators to generate leads within the used vehicle finance sector.

Quiklyz, a leasing solution launched in FY2022, continues to enhance its presence in the B2B segment and is expected to grow as rising demand for EVs is expected to boost the rental and leasing market.

Our Company is rated 'AAA' across all major credit rating agencies, reflecting our strong financial position, credit strength and consistent performance. The ratings help us to have a diversified funding profile and to borrow funds at the competitive cost.

Overall, we continue to focus on sustained momentum in disbursements, improving asset quality, and robust collection efficiency, with a continued focus on talent retention and technology initiatives.

Operational Overview

The key operational highlights for FY2025 are as follows:

- Total income increased by 19% to ₹16,075 crore, driven by asset and disbursement growth, compared to ₹13,562 crore in FY2024
- Disbursements grew by 3% year-on-year, reaching ₹57,900 crore
- Business assets rose by 17% to ₹1,19,673 crore from ₹1,02,597 crore in FY2024
- Capital adequacy stood at 18.3%, with a debt-to-equity ratio of 5.70 and a liquidity buffer of approximately ₹10,400 crore
- The Provision Coverage Ratio (PCR) for Gross Stage-3 was maintained at 51.2% as of March 2025
- The customer base surpassed 11 million
- The employee count stood at 25,261 as of 31st March 2025

SCOT Analysis

Strengths

- Leadership position in vehicle financing and a market leader in tractor financing
- Deep presence in rural and semi-urban markets, with strong customer insights and an understanding of livelihood needs serving customers through an extensive distribution network of 1,365 branches and offices
- Strong, long-term relationships with OEMs and channel partners
- Empowered local workforce, ensuring better customer engagement
- Diverse product range tailored to customer requirements
- Strong customer trust and brand recognition
- Agile operations with strong control functions across compliance, risk, audit, underwriting and collections
- Comfortable capitalisation and liquidity position
- Streamlined and robust processes to manage volatility and credit costs
- Customer servicing via multiple channels for customer convenience and quicker resolution

Challenges

- Cost of borrowings remain elevated
- Limited presence beyond vehicle financing
- Slower adoption of digital and technology solutions

Opportunities

- Revenue opportunities through partnerships in non-lending financial services and co-lending ventures
- Emerging ecosystem partnerships and platform-based collaborations
- Growing middle class, with diverse financial needs
- Strengthening economy, increasing formalisation and increasing digital adoption
- Advanced analytics and AI for operating efficiencies

Threats

- Uncertainty in the global political landscape
- Intensifying competition from banks
- Potential slowdown in automotive sector
- Growing fraud risks impacts customer trust and operational efficiency

Financial Overview

Financial Performance

The table below provides the Company's standalone financial summary for FY2025, covering revenues, expenses and profits.

(in ₹ crore)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024	Change (%)
Revenue from operations	16,018.95	13,407.03	19.5%
Other income	55.74	155.39	-64.1%
Total revenue	**16,074.69**	**13,562.42**	**18.5%**
Expenses			
a. Employee benefits expenses	1,903.13	1,712.63	11.1%
b. Finance costs	7,898.30	6,426.94	22.9%
c. Depreciation, amortisation and impairment	273.42	228.71	19.5%
d. Impairment on financial instruments	1,617.86	1,822.79	-11.2%
e. Other expenses	1,234.71	1,015.88	21.5%
Total expenses	**12,927.42**	**11,206.95**	**15.4%**
Profit before exceptional items and taxes	**3,147.27**	**2,355.47**	**33.6%**
Exceptional items (net) - income/(expense)	-	-	
Profit before tax	**3,147.27**	**2,355.47**	**33.6%**
Tax expense	802.23	595.85	34.6%
Profit for the year	**2,345.04**	**1,759.62**	**33.3%**

Discussion on Financial Performance

Revenue from operations in FY2025 increased by 19.5% over the previous year, driven by higher average loan book. Disbursements grew by 3% YoY, resulting in closing loan book being higher by 16.6% over the previous year.

Net interest income grew by 14.6% over the previous year. Company's credit rating remained stable at 'AAA' across all major credit rating agencies.

Net Interest Margin (Gross Spread) for the year stood at 6.5%, compared to 6.8% in FY2024. The elevated interest rate environment impacted Gross Spread throughout the year. Interest Income increased by 17.0% YoY in FY2025.

The cost-to-income ratio stood marginally higher at 41.7% as compared to 41.4% in FY2024, as your Company continues to invest in collection-related processes, upgrade IT infrastructure and talent acquisition. Operating expenses rose by 15.4% YoY, due to continued investments in future growth oriented areas and digital initiatives.

Profit before tax increased by 33.6% to ₹ 3,147 crore from ₹ 2,355 crore in F2024. Your Company continued to maintain a healthy provision coverage ratio (PCR) of 51.2% vis-à-vis 63.2% in FY2024 on stage-3 assets.

Profit After Tax (PAT) stood at ₹2,345 crore, 33.3% higher than ₹ 1,760 crore in FY2024. Return on Equity (RoE) was 12.4%, compared to 10.0% in FY2024, while Return on Assets (RoA) stood at 1.9%, up from 1.7% in the previous year.

Segment-wise disbursement performance

Asset Class	Year ended 31st March 2025	Year ended 31st March 2024	Change (%)
Passenger vehicles	23,527 (41%)	22,920 (41%)	3%
Commercial vehicles and construction equipment	12,290 (21%)	12,512 (22%)	-2%
Pre-owned vehicles	9,468 (16%)	9,745 (17%)	-3%
Tractors	5,871 (10%)	5,443 (10%)	8%
3-Wheelers	2,445 (4%)	2,496 (4%)	-2%
SME	3,010 (5%)	2,029 (4%)	48%
Others*	1,288 (2%)	1,063 (2%)	21%
Total	**57,900 (100%)**	**56,208 (100%)**	**3%**

* Others include Farm Implements, Gensets, Personal and Consumer Loans. Figures in bracket indicates share of overall disbursement

The passenger vehicle market has seen a shift towards premium models, with growing customer preference for SUVs. Consequently, the growth in passenger vehicles disbursement was at 3% YoY.

The tractor industry experienced an uptick in demand, leading to a disbursement growth of 8% YoY.

The SME segment achieved an impressive YoY growth of 48%, reflecting strong performance and consistent focus on this key business area.

Key Ratios

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Debt / Equity	5.70:1	5.18:1
Net Profit Margins (%)*	14.6%	13.0%
RONW (Avg. net worth)	12.4%	10.0%
Capital adequacy	18.3%	18.9%
Tier I capital	15.2%	16.4%
Tier II capital	3.1%	2.5%
Gross Stage 3%	3.7%	3.4%
Net Stage 3%	1.8%	1.3%
Provision Coverage Ratio for Stage - 3 assets	51.2%	63.2%
Liquidity Coverage Ratio	277%	313%

* Net profit margin (%) = Profit after tax/Total income

During the financial year, none of the key financial ratios, except net stage-3, experienced a variation greater than 25% compared to the previous year. The net stage-3 ratio increased by 43.3% during the financial year, primarily due to two factors: a decrease in the provision coverage ratio for gross stage-3 loans, which declined from 63.2% in FY2024 to 51.2% in FY2025, and an increase in gross stage-3 loans, which rose from 3.4% in FY2024 to 3.7% in FY2025.

Business Outlook

MMFSL aims to expand its presence in Emerging India and unlock the full potential of financial services. The Company continues to invest in strengthening its distribution network, technology infrastructure, digital capabilities and human capital across functions and businesses. Additionally, MMFSL is enhancing its risk management framework by using digital due diligence tools for customer onboarding and further strengthening the centralisation of document reviews. These measures reinforce the Company's checks and balances, ensuring a robust and resilient business model.

Risk Management

The Company recognises that volatility in the operating environment poses significant challenges to global enterprises. In response, it has instituted a proactive risk management framework designed to anticipate and mitigate potential threats. The Risk Management Committee assists the Board in identifying, monitoring, and evaluating the Company's risk exposures. It conducts regular reviews of risk mitigation strategies, the outcomes of which are submitted to the Board for further evaluation. Periodic assessments are undertaken to ensure the effectiveness of these measures, with corrective actions and process enhancements implemented as necessary.

Risk Management Process

The Company's risk management system is integrated across all key functions and is guided by a structured and systematic approach. The process encompasses the following elements:

- Clearly defined roles and responsibilities for risk management
- A strategic framework underpinned by well-articulated objectives and guiding principles
- A dual approach to risk assessment and management, incorporating both 'top-down' and 'bottom-up' methodologies
- Adoption of the 'ATMA' framework - Avoid, Transfer, Mitigate, Assume - for the identification, evaluation, mitigation, monitoring, and reporting of risks
- Alignment of risk appetite statements with strategic planning processes, supported by ongoing monitoring and reporting mechanisms.
- A comprehensive risk-monitoring plan that outlines review procedures, challenge mechanisms, and oversight activities.
- An 'outside-in' reporting model to ensure that risk-related information is actively monitored, managed, and communicated across all levels of the organisation.

The Company's risk management framework is designed to evaluate risks by thoroughly analysing and understanding potential exposures prior to making decisions related to transactions, operational processes, or system modifications. This framework is further strengthened through periodic reviews, implementation of control measures, self-assessment exercises, and continuous monitoring of key risk indicators.

Credit Risk:

Credit risk refers to the potential for financial loss arising from a decline in the creditworthiness of borrowers or counterparties. Such losses may occur if a customer or counterparty fails to meet their financial obligations, or if there is a deterioration - perceived or actual - in the credit quality of the portfolio.

Approach to Credit Risk Management

Effective credit risk management is fundamental to the Company's long-term sustainability. The process encompasses the identification, measurement, monitoring, and control of credit risk exposures through the following measures:

- Implementation of a comprehensive borrower credit scoring framework that avoids overly simplistic loan classifications. High-risk proposals are subject to enhanced scrutiny and are reviewed by senior credit approvers, with appropriate risk mitigants in place.
- Maintenance of asset quality through a rigorous credit appraisal system, complemented by continuous post-disbursement monitoring, thereby ensuring a low probability of default.
- Adoption of proactive risk mitigation strategies, supported by proprietary early warning indicators. These include key risk metrics such as early delinquency trends, non-starter accounts, and quick mortality rates, enabling timely intervention.

Liquidity Risk

Liquidity risk refers to the potential inability to meet financial obligations as they fall due, including debt servicing requirements, or the inability to obtain external funding at reasonable costs.

Approach to Liquidity Risk Management

The Company has established a comprehensive Liquidity Risk Management (LRM) framework, governed by a Board-approved Liquidity Risk Management Policy. The implementation and oversight of this framework are entrusted to the Asset Liability Committee (ALCO) and the Asset Liability Management Committee (ALMCO), which ensure compliance with defined risk tolerance levels and regulatory limits.

In alignment with the Treasury Chest Policy, the Company maintains an adequate liquidity buffer, which is periodically reviewed to provide resilience against external financial shocks. Furthermore, the Company sustains a well-diversified lender base, deliberately avoiding overdependence on any single funding source. Borrowing concentration is actively monitored to maintain a balanced and sustainable funding mix.

Interest Rate Risk

Interest rate risk arises from fluctuations in market interest rates, which may adversely affect borrowing costs, interest income, and net interest margins, particularly within the financial sector.

Approach to Interest Rate Risk Management

The Company actively monitors and manages interest rate risk through regular sensitivity analyses conducted by the Asset Liability Committee (ALCO) and the Asset Liability Management Committee (ALMCO). These assessments evaluate the Company's exposure to interest rate movements and inform strategic decision-making.

The Liquidity Risk Management (LRM) framework outlines an optimal borrowing structure aimed at minimising interest costs, alongside an investment strategy designed to maximise returns. Prudential limits on both borrowings and investments are established to ensure effective risk containment. These policies, supported by periodic reviews, enable timely adjustments to lending and funding strategies, thereby mitigating the impact of interest rate volatility.

Operational Risk

Operational risk refers to the potential for financial loss resulting from internal process failures, human errors, system deficiencies, or external events, including legal and reputational challenges.

Approach to Operational Risk Management

The Company has adopted a comprehensive Operational Risk Management Policy that establishes a structured governance framework for the identification, assessment, and mitigation of operational risks. This framework clearly defines roles and responsibilities, ensures appropriate segregation of duties, and delegates authority in accordance with established protocols.

To enhance the Company's risk resilience, multiple risk management frameworks have been implemented, reinforcing defences against operational threats. Key Risk Indicators (KRIs) are systematically monitored to identify emerging risks and facilitate timely corrective actions. These measures collectively strengthen the Company's operational resilience and enhance its overall risk management capabilities.

Business Risk

As a Non-Banking Financial Company (NBFC), the Company is subject to various external risks that may affect its long-term sustainability and profitability. These include industry-specific risks, competitive dynamics, and factors influencing customer income levels - such as agricultural productivity and climatic conditions. Broader economic volatility and sectoral challenges may also contribute to the impairment of loan assets.

Approach to Business Risk Management

The Company analyses macroeconomic indicators and industry trends to anticipate and respond to market developments. In order to diversify its revenue streams and reduce dependence on vehicle finance, the Company has introduced tailored financial products and is actively exploring new growth avenues, including SME financing, digital lending models, and leasing solutions.

A proactive sales force, a broad portfolio of financial offerings, and a strong customer-centric approach collectively enable the Company to remain competitive, resilient, and responsive to evolving market conditions.

Compliance Risk

Compliance risk refers to the potential for legal or regulatory consequences arising from non-adherence to applicable laws, regulations, and supervisory guidelines.

Approach to Compliance Risk Management

The Company maintains strict compliance with the regulatory framework prescribed by the Reserve Bank of India (RBI) and other relevant authorities. This includes adherence to norms related to capital adequacy, fair practices, financial reporting, and asset classification. Under the revised scale-based regulatory framework introduced by the RBI in FY2021 and subsequently refined in FY2023 and FY2025, the Company has been categorised under the *Upper Layer* of Non-Banking Financial Companies (NBFCs).

To ensure ongoing compliance, the Company has instituted robust processes for risk assessment, capital adequacy evaluation, and stress testing. A structured Circular Management Process facilitates the timely dissemination of regulatory updates to all relevant stakeholders. Additionally, a comprehensive Compliance Testing Programme is in place to evaluate adherence to critical regulatory requirements. The findings from these assessments are reported to senior management, and corrective actions are tracked to ensure effective implementation.

Attrition Risk

The risk of losing high-performing and critically skilled employees poses a significant challenge to organisational continuity and performance.

Approach to Talent Retention

The Company fosters an employee-centric culture and continuously reviews its human resource policies to enhance workforce engagement and satisfaction. Annual employee engagement surveys are conducted to identify key concerns, with targeted interventions implemented to address them effectively.

Compensation structures are benchmarked against industry standards to ensure competitiveness and retain top talent. Regular and open communication between Human Resources and business leadership facilitates the proactive resolution of employee issues, thereby minimising undesired attrition. Additionally, the Company invests in continuous learning and development initiatives to support career growth and skill enhancement.

Information Technology & Cyber Security Risk

The increasing reliance on digital infrastructure necessitates robust measures to effectively manage information technology (IT) and cybersecurity risks.

Approach to IT and Cyber Risk Management

The Company adopts a defence-in-depth cybersecurity approach to fortify its systems. This multi-layered strategy includes periodic testing of internal controls, conducting cyber resilience drills, and implementing Artificial Intelligence (AI) and Machine Learning (ML)-based threat monitoring. Defence-in-depth measures also encompass:

- **Perimeter Security**: Firewalls and proxies to safeguard network boundaries.
- **Access Controls**: Multi-factor authentication (MFA) and Privilege Access Management (PAM) tools to limit access to sensitive information.
- **Endpoint Security**: Extended detection and response (XDR) and Data Loss Prevention (DLP) tools to protect endpoint devices.
- **Data Protection**: Ransomware-protected backups and encryption to secure critical data.
- **Regular Monitoring**: AI/ML-based Security Operations Centre (SOC) tools for continuous threat detection and response to anomalies.
- **Employee Awareness**: Cybersecurity training programmes and awareness flyers to reduce risks from social engineering attacks.
- **Incident Management**: Disaster Recovery (DR) sites with regular data replication and incident response protocols for quick recovery.

Emerging Risk

Emerging risks, such as geopolitical tensions, economic stress, and global health crises (e.g., pandemics), have the potential to significantly disrupt business operations and impact financial stability.

Approach to Managing Emerging Risks

The Company adopts a prudent capital structure designed to ensure robust liquidity and the capacity to absorb economic shocks without compromising its creditworthiness or ability to meet debt obligations. Comprehensive business continuity plans are in place to facilitate uninterrupted operations during periods of crisis. Furthermore, the Company's strong customer relationships and engagement strategies enable it to navigate challenging environments with resilience and agility.

Market Risk

Market risk arises from fluctuations in interest rates, currency values, credit spreads and commodity prices, potentially impacting earnings and economic value.

Approach: The Company continuously monitors and manages market-linked securities as per internal and regulatory guidelines to mitigate market risks.

Climate Risk

Climate change presents a range of risks, including extreme weather events, environmental degradation, and economic losses resulting from natural disasters. These factors can also influence the Company's Environmental, Social, and Governance (ESG) performance and associated ratings.

Approach to Climate Risk Management

The Company actively monitors climate-related risks and integrates them into its overarching risk management framework. In alignment with its commitment to environmental sustainability, the Company promotes green financing initiatives, including support for Compressed Natural Gas (CNG) and electric vehicles.

Environmental performance is transparently disclosed through internationally recognised platforms such as the Carbon Disclosure Project (CDP) and the Dow Jones Sustainability Indices (DJSI).

Further, the Company is exploring the deployment of solar energy solutions, transitioning to energy-efficient technologies, and participating in afforestation initiatives to support carbon sequestration and long-term sustainability objectives.

Material Developments in Human Resources:

This year's journey revolves around talent transformation. We have strengthened leadership, empowered our people, enhanced capabilities, and built a culture where meritocracy and inclusivity thrive.

Strengthening Leadership and Attracting Top Talent

We reinforced our leadership by appointing seasoned professionals to key leadership roles ensuring strategic foresight and domain excellence in critical functions. We also capitalised on the Mahindra Group's internal talent ecosystem, enabling growth from within by transitioning capable leaders across entities into critical portfolios. This accelerated internal mobility has deepened our culture of career development. We continue to expand our future talent pipeline through robust campus trainee programs and leveraging the Group's MLP program. Our exploration of gig talent builds agility and draws in niche capabilities for short- to medium-term needs.

Growing High Potential Talent

Retaining and growing talent with care and precision is where real transformation takes place. Our high-potential talent programs span all levels, from early-career employees to senior leaders. Selection follows a rigorous process, ensuring the right individuals are identified. Mentorship is key, with senior leaders guiding participants through structured engagements. These programs foster a dynamic talent pipeline recognised through external accolades.

Capability Building with Precision and Purpose

We deliver curated functional skills-building interventions targeting specific performance outcomes. Diagnostic assessments help us identify root causes and upskill teams. We trained our teams on driving contemporary financing opportunities and supported internal transitions with role clarity workshops and skill certifications. Digital dexterity is foundational, with Generative AI embedded across functions to ensure alignment and enablement.

Information Technology

At Mahindra Finance, FY2025 has been a year of transformative growth, driven by our commitment to leveraging technology and innovation to enhance customer experiences, streamline operations, and drive business growth. Our focus has been on creating a seamless digital ecosystem that empowers both customers and employees while positioning us for sustainable expansion.

One of our key achievements this year has been the successful redesign of our customer app, which offers customers a convenient platform to manage loans, make repayments, and access a range of financial products. With its intuitive interface, the app has seen over 4.5 lakh customer sign-ups and 32K leads within three months of its launch, helping more customers engage with our services digitally. Complementing this initiative is the launch of the AI-powered chatbot, which supports customers across platforms like WhatsApp and our website. Available in multiple languages, our AI-powered chatbot has enhanced customer support and facilitated better engagement.

We have also made strides in transforming our collections process. Our new digital collections platform provides automated reminders and multiple payment options, enabling customers to manage repayments effortlessly while reducing operational costs. Additionally, advanced AI models have been integrated to improve risk management and customer engagement, leading to better underwriting and reduced payment defaults. These efforts collectively reflect our commitment to transparency, efficiency, and customer satisfaction.

Operationally, we have streamlined our processes through end-to-end digital loan systems, automating documentation and accelerating credit assessments. This has significantly reduced the time taken for loan approvals while ensuring a seamless customer experience. On the technology front, we have strengthened our IT infrastructure by adopting cloud solutions for scalability and cost efficiency. Robust cybersecurity measures have been implemented to ensure the safety and privacy of customer data.

Our commitment to fostering financial inclusion remains unwavering. By integrating advanced technologies into our operations, we are not only reducing costs and improving efficiency but also providing personalised and accessible financial solutions to millions across rural and semi-urban India. These efforts solidify our position as a leader in promoting inclusive growth.

Internal Control System and their Adequacy

MMFSL has implemented a robust internal control system to safeguard its assets and ensure operational excellence. The Company maintains accurate transaction records and ensures regulatory compliance. It has established multiple policy frameworks to oversee business processes effectively, with Risk and Control dashboards regularly updated for key operations. The Company ensures that the management team and statutory auditors periodically review the effectiveness of these controls.

MMFSL has a dedicated internal audit team that defines an annual audit agenda, which is approved by the Audit Committee before implementation. The Company engages reputed audit firms to ensure that all transactions are properly authorised and reported in line with regulatory requirements. MMFSL ensures that the Audit Committee reviews these reports, strengthens internal controls and takes corrective actions wherever necessary.

Disclaimer

Certain statements in the Management Discussion and Analysis describing the Company's objectives and predictions may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effects of economic and political conditions in India, volatility in interest rates, new regulations, government policies and other incidental factors that may impact the Company's business as well as its ability to implement the strategy.

Report on Corporate Governance

Corporate Governance Philosophy

Your Company adheres to the highest standards of governance. Your Company is committed to ethical values, sustainable business practices, driving positive change in the areas in which it operates and committed to transparency in all its dealings and creating shared value for all its stakeholders.

Your Company places high emphasis on empowerment, integrity and diversity to generate long-term value for its stakeholders and retain investor trust. The governance processes and practices ensure that the interest of all stakeholders are taken into account in a balanced and transparent manner and are firmly embedded into the culture and ethos of the organisation. It is a firm conviction of the Company that good Corporate Governance practices are powerful enablers, which infuse trust and confidence, that attract and retain financial and human capital.

Your Company has an active, experienced, diverse and a well-informed Board. Through the governance mechanism in the Company, the Board along with its Committees adopts best environmental, social and governance practices that support ethical leadership, sustainability and good corporate citizenship.

Your Company is in compliance with the Corporate Governance requirements as mandated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") in letter and in spirit. A Report on compliance with the Code of Corporate Governance as stipulated in the Listing Regulations, for the year ended 31st March 2025 (year under review) and developments up to the date of this report are given in the report.

The key pillars of Corporate Governance includes Transparency, Responsibility and ensuring Compliances in letter & spirit. We imbibe some of the best industry practices in corporate secretarial function.

This report will enlighten our shareholders with insights into following areas:

- Corporate Governance Philosophy
- Board of Directors and Committees
- Best Corporate Secretarial practices
- Disclosures and Policies
- Investor Engagement
- Compliance with Corporate Governance norms

Board of Directors and Committees

The composition of the Board of your Company is in conformity with the provisions of the Companies Act, 2013 ("the Act") and the Listing Regulations, as amended from time to time.

The Board of your Company comprised eight Directors as on 31st March 2025. As on the date of the report, the Company has a Non-Executive Non-Independent Chairman, 1 Executive Director, 2 Non-Executive Non-Independent Directors and 4 Independent Directors (including 1 Woman Independent Director).

Board Composition as on 31st March 2025

Board - Demographics and Diversity

7 88% Men

1 12% Women

4 50% Independent Directors

3 38% Non- Executive Non-Independent Directors

1 12% Executive Director

97%
Average attendance rate at Board meetings

3.1 years
Average tenure of Independent Directors

9 out of 11
Committee Chairpersons are Independent Directors

All the Directors have strong academic background and possess rich experience in general corporate management, banking, finance, economics, marketing, digitisation, analytics, strategy formulation and other allied fields that allow them to contribute effectively by actively participating in the Board and Committee Meetings, providing valuable guidance and expert advice to the Board and the Management and enhancing the quality of Board's decision making process.

Detailed profile of the Directors is available on the Company's website at the web-link: https://www.mahindrafinance.com/about-us/management.

COMPOSITION OF THE BOARD

Composition and other details of Board of Directors as on 31st March 2025

Dr. Anish Shah

DIN - 02719429

Non-Executive Non-Independent Director & Chairman

Nationality	USA (OCI Card holder, resident of India)
Age	55 years
Qualifications and other details in brief	Dr. Anish Shah holds a PhD from Carnegie Mellon's Tepper School of Business, where his doctoral thesis was in the field of Corporate Governance. He also received a Master's degree from Carnegie Mellon and has a post-graduate diploma in Management from the Indian Institute of Management, Ahmedabad. He has received various scholarships, including the William Latimer Mellon Scholarship, Industry Scholarship at IIMA, National Talent Search and Sir Dorabji Tata Trust.
Date of Appointment on Board	18th March 2016
Tenure on Board	~9 years
Term Ending Date	N.A.
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Non-Executive Non-Independent Chairman
Mahindra & Mahindra Limited	Group CEO & Managing Director
Mahindra Logistics Limited	Non-Executive Non-Independent Chairman
Mahindra Lifespace Developers Limited	Non-Executive Non-Independent Director
Tech Mahindra Limited	Non-Executive Non-Independent Director
Mahindra Holidays & Resorts India Limited	Non-Executive Non-Independent Director
Other Directorships*	1
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: Nil Member: Nil

Mr. Raul Rebello

DIN - 10052487

Managing Director & CEO

Nationality	Indian
Age	47 years
Qualifications and other details in brief	Mr. Raul Rebello is a Post-graduate in Management from the Goa Institute of Management.
Date of Appointment on Board	1st May 2023
Tenure on Board	~2 years
Term Ending Date	30th April 2028
Shareholding in Company	355 (0.000029%)
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Managing Director & CEO (Executive Director)
Other Directorships*	3
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: Nil Member: 2

Mr. Diwakar Gupta

DIN - 01274552
Independent Director

Nationality	Indian
Age	71 years
Qualifications and other details in brief	Mr. Diwakar Gupta is a post-graduate in Physics from the University of Delhi and a graduate with Honours in Physics from St. Stephen's College, New Delhi.
Date of Appointment on Board	1st January 2023
Tenure on Board	~2 years
Term Ending Date	31st December 2027
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Independent Director
Mahindra Holidays & Resorts India Limited	
Other Directorships*	5
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 4 Member: 4

Mr. Milind Sarwate

DIN - 00109854
Independent Director

Nationality	Indian
Age	65 years
Qualifications and other details in brief	Mr. Milind Sarwate is a Chartered Accountant, Cost Accountant, Company Secretary, and a CII-Fulbright Fellow (Carnegie Mellon University, USA). He has been awarded ICAI CFO Award, CNBC TV- 18 CFO Award & CFO India Hall of Fame induction.
Date of Appointment on Board	1st April 2019
Tenure on Board	~6 years
Term Ending Date	31st March 2029
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Independent Director
Asian Paints Limited	
Sequent Scientific Limited	
FSN E-Commerce Ventures Limited	
CEAT Limited	
Hexaware Technologies Limited	
Other Directorships*	1
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 5 Member: 8

Dr. Rebecca Nugent

DIN - 09033085
Independent Director

Nationality	USA
Age	48 years
Qualifications and other details in brief	Dr. Rebecca Nugent received her PhD in Statistics from the University of Washington, her M.S. in Statistics from Stanford University, and her B.A. in Mathematics, Statistics and Spanish from Rice University.
Date of Appointment on Board	5th March 2021
Tenure on Board	~4 years
Term Ending Date	4th March 2026
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Independent Director
Other Directorships*	Nil
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: Nil Member: Nil

Mr. Amarjyoti Barua

DIN - 09202472
Non-Executive Non-Independent Director

Nationality	Indian
Age	47 years
Qualifications and other details in brief	Mr. Amarjyoti Barua, is the CFO of the Mahindra Group. He holds a Bachelor's degree in Economics and a Master's degree in Business Administration
Date of Appointment on Board	28th July 2023
Tenure on Board	~2 years
Term Ending Date	N.A.
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Non-Executive Non-Independent Director
Other Directorships*	6
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 1 Member: 5

Mr. Ashwani Ghai

DIN - 09733798

Non-Executive Non-Independent Director

Nationality	Indian
Age	60 years
Qualifications and other details in brief	Mr. Ashwani Ghai is a post-graduate in Economics, PGEP from IIM Ahmedabad & Fellow of the Insurance Institute of India (FIII).
Date of Appointment on Board	23rd June 2023
Tenure on Board	~2 years
Term Ending Date	N.A.
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Non-Executive Non-Independent Director, representing Life Insurance Corporation of India holding 10.24% of equity shares of the Company as on 31st March 2025.
Other Directorships*	Nil
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: Nil Member: 1

Mr. Vijay Kumar Sharma^

DIN - 02449088

Independent Director

Nationality	Indian
Age	66 years
Qualifications and other details in brief	Mr. Vijay Kumar Sharma is a post-graduate (M.Sc.) in Botany from Patna University with over four decades of experience in corporate world
Date of Appointment on Board	15th May 2024
Tenure on Board	~11 Months
Term Ending Date	14th May 2029
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	4
Mahindra & Mahindra Financial Services Limited	Independent Director
Reliance Power Limited	
Nureca Limited	
Tata Steel Limited	
Other Directorships*	Nil
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 2 Member: 4

Notes:

* Excludes Directorships in private limited companies, foreign companies and companies registered under Section 8 of the Act.

** Committees considered are Audit Committee and Stakeholders Relationship Committee including in MMFSL. In the Committee details provided, Committee Membership(s) includes Chairmanship(s).

^ The shareholders of the Company at their Annual General Meeting held on 23rd July 2024 had approved the appointment of Mr. Vijay Kumar Sharma as an Independent Director of the Company, for a term of 5 consecutive years with effect from 15th May 2024 up to 14th May 2029 (both days inclusive), not liable to retire by rotation.

CORE SKILLS/ EXPERTISE/COMPETENCIES OF THE BOARD OF DIRECTORS

A chart/ matrix setting out the core skills/ expertise/ competencies identified by the Board of Directors in the context of the Company's business and sector(s) as required collectively to function effectively and those actually available with the Board during FY2025, are given below:

Skills	Brief description of skill sets required in Board in context of business of the Company	Dr. Anish Shah	Mr. Raul Rebello	Mr. Amarjyoti Barua	Mr. Ashwani Ghai	Mr. Diwakar Gupta	Mr. Milind Sarwate	Dr. Rebecca Nugent	Mr. Vijay Kumar Sharma
Business Experience	• Established leadership skills in strategic planning, succession planning, driving change and long-term growth and guiding the Company towards its vision, mission and values. • Critically analysing complex and detailed information and developing innovative solutions and striking a balance between agility and consistency. • Expertise in the field of Banking and Financial Services.	√	√	√	√	√	√	√ -	√
Financial Experience and Risk Oversight	• Understanding of Finance and Financial Reporting Processes. • Risk oversight comprising ability to understand and oversee various risks facing the Company and ensure that appropriate policies and procedures are in place to effectively manage risk.	√	√	√	√	√	√	√ -	√
Technology and Innovation	• An appreciation of emerging trends in Banking and Financial services across the globe. • Expertise in digital and robotic innovation in the field of Finance and Investments. • Ability to visualise future trends and devise strategies for adoption.	√	√*	√	√	√	√	√	√
Governance and Regulatory Oversight	• Devise systems for compliance with a variety of regulatory requirements. • Reviewing compliance and governance practices for a long-term sustainable growth of the Company and protecting stakeholders' interest.	√	√	√	√	√	√	-	√
Consumer Insights and Marketing Exposure (mainly rural and semi-urban markets)	• Ability in developing strategies to increase market share through innovation, build better brand experience for customers, improve prospective customer engagement levels and help establish active customers become loyal brand followers.	√	√	√	√	√	√	√	√

* Partly for digital and robotic innovation.

CHANGES IN BOARD MEMBERS AND KEY MANAGERIAL PERSONNELS ("KMPs") DURING FY2025 AND TILL THE DATE OF THIS REPORT

The Board, as a part of its succession planning, periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company. The following changes in the Board composition and Key Managerial Personnels of the Company were recommended by the Nomination and Remuneration Committee ("NRC") and approved/noted by the Board of Directors of the Company during the year under review:

Board Member/KMP	Changes	Effective date and Period
Mr. Ramesh Iyer	Superannuated from the position of Vice-Chairman and Managing Director of the Company & ceased to be the Director and KMP of the Company	w.e.f. 29th April 2024
Mr. Raul Rebello*	Appointed as the Managing Director and KMP, designated as "Managing Director & CEO"	w.e.f. 30th April 2024 to 30th April 2028.
Mr. Vijay Kumar Sharma	Appointed as Independent Director	w.e.f. 15th May 2024 to 14th May 2029
Mr. Milind Sarwate	Reappointed as an Independent Director for a second term of 5 consecutive years	w.e.f. 1st April 2024 to 31st March 2029
Mr. Dhananjay Mungale and Ms. Rama Bijapurkar	Ceased to be Independent Directors of the Company on completion of second term of 5 consecutive years	w.e.f. 23rd July 2024
Mr. C. B. Bhave	Ceased to be Independent Director of the Company on completion of second term of 5 consecutive years	w.e.f. 2nd February 2025
Mr. Vivek Karve (KMP)	Resigned from the position of Chief Financial Officer	w.e.f. 31st October 2024
Mr. Animesh Chatterjee (KMP)	Appointed as the Chief Financial Officer for interim period	From 29th January 2025 to 4th March 2025
Mr. Pradeep Kumar Agrawal (KMP)	Appointed as the Chief Financial Officer	w.e.f 05th March 2025

* The shareholders of the Company at their Annual General Meeting held on 28th July 2023 by passing a special resolution had approved the appointed of Mr. Raul Rebello as Whole-time Director and KMP, designated as "Executive Director and MD & CEO Designate" from 1st May 2023 to 29th April 2024, and appointed as the Managing Director and KMP, designated as "Managing Director & CEO" w.e.f. 30th April 2024 to 30th April 2028.

In compliance with RBI Circular No. RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19th April 2022, the details of change in composition of the Board during the previous financial year i.e. FY2024 is given below:

Board Members	Changes in FY2024	Effective date / Period
Mr. Raul Rebello	Appointed as Whole-time Director and KMP, designated as "Executive Director and MD & CEO Designate	w.e.f. 1st May 2023 to 29th April 2024
Mr. Amit Kumar Sinha	Ceased to be Non-Executive Non-Independent Director with effect from conclusion of 33rd Annual General Meeting	w.e.f. 28th July 2023
Mr. Ashwani Ghai	Appointed as Non-Executive Non-Independent Director, representing Life Insurance Corporation of India on the Board	w.e.f. 23rd June 2023
Mr. Amarjyoti Barua	Appointed as Non-Executive Non-Independent Director	w.e.f. 28th July 2023
Mr. Siddhartha Mohanty	Ceased to be a Non- Executive Non-Independent Director	w.e.f. 12th May 2023

Directors retiring by rotation at ensuing AGM

In terms of Section 152 of the Act, Mr. Ashwani Ghai (DIN: 09733798), Non-Executive Non-Independent Director is liable to retire by rotation and, being eligible, offers himself for re-appointment at the ensuing AGM.

The details of Mr. Ashwani Ghai as required to be disclosed under Regulation 36(3) of the Listing Regulations i.e., brief resume, nature of expertise in specific functional areas, disclosure of relationships between directors inter-se, name of the listed entities in which the director holds directorships, membership, shareholding, etc. is provided in the notice of the 35th Annual General Meeting of the Company.

Pecuniary relationship with Directors

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration that the eligible Non-Executive Directors would be entitled to under the Act, none of the Directors have any other pecuniary relationships or transactions with the Company, its Subsidiaries or Associates, or their Promoters or its Directors, during the two immediately preceding financial years or during the current financial year.

None of the Directors of your Company are inter-se related to each other.

Management Team

The Management of the Company comprises Senior Executives from different functions headed by the Managing Director & CEO who operates under the supervision and control of the Board. The Board reviews and approves strategy and oversees the actions and results of Management to ensure that the long-term objectives of enhancing stakeholders' value are met.

The Senior Management of your Company have made disclosures to the Board confirming that there have been no material financial and commercial transactions between them and the Company during FY2025 which could have potential conflict of interest with the Company at large.

Board Meetings and attendance thereat

The Board of Directors met nine times during the year under review i.e. on 23rd April 2024, 4th May 2024, 7th June 2024 , 23rd July 2024 , 13th September 2024, 22nd October 2024, 28th January 2025, 13th February 2025 and 24th March 2025 as against the statutory requirement of at least four meetings. The requisite quorum was present for all the Meetings.

The maximum time gap between any two Board meetings was not more than one hundred and twenty days. These Meetings were well attended.

The details of attendance of Directors at the Board Meetings held during the financial year under review is as under:

Name of Directors	Board Meetings in FY 2025#											
	1	2	3	4	5	6	7	8	9	Held during the year	Att-ended	% of attendance of a Director across all Board meetings
	23rd April 2024	4th May 2024	7th June 2024	23rd July 2024	13th September 2024	22nd October 2024	28th January 2025	13th February 2025	24th March 2025			
Dr. Anish Shah	√	👤	√	√	√	√	√	👤	√*	9	9	100%
Mr. Ramesh Iyer**	√	NA	NA	NA	NA	NA	NA	NA	NA	1	1	100%
Mr. Raul Rebello	√	√	√	√	√	√	√	👤	√	9	9	100%
Mr. C. B. Bhave	√	√	👤	👤	👤	√	√	NA	NA	7	7	100%
Mr. Dhananjay Mungale	√	👤	√	√	NA	NA	NA	NA	NA	4	4	100%
Mr. Milind Sarwate	√	√	√	√	👤	√	√	👤	√	9	9	100%
Ms. Rama Bijapurkar	√	√	√	√	NA	NA	NA	NA	NA	4	4	100%
Dr. Rebecca Nugent	👤	👤	👤	√	👤	👤	👤	LOA	√	9	8	89%
Mr. Diwakar Gupta	√	👤	√	👤	👤	👤	√	👤	👤	9	9	100%
Mr. Ashwani Ghai	√	👤	√	√	√	√	👤	LOA	√	9	8	89%
Mr. Amarjyoti Barua	√	√	√	√	√	√	√	√	√	9	9	100%
Mr. Vijay Kumar Sharma	NA	NA	√	👤	👤	√	👤	👤	√	7	7	100%
% of attendance of Board as a whole at each board meeting	100%	100%	100%	100%	100%	100%	100%	75%	100%			

👤 👤 - Attended through video conference | √ - Attended in-person | LOA - Leave of absence

All the meetings of the Board of Directors held during FY2025 were conducted in physical form with option to the Directors to participate via VC. Attendance and percentage are calculated for meetings attended during the Director's tenure.

* Leave of absence sought for adjourned meeting held on 24th March 2025.

** Mr. Ramesh Iyer superannuated as Vice Chairman & Managing Director effective close of business hours on 29th April 2024.

Note:- All Directors were present at the 34th Annual General Meeting ("AGM") of the Company held on 23rd July 2024 through Video Conferencing.

COMPLIANCE WITH DIRECTORSHIP LIMITS

On the basis of disclosures received from the Directors, it is confirmed that as on 31st March 2025, none of the Directors of the Company:

i. Hold Directorship positions in more than twenty companies (including ten public limited companies and seven listed companies);

ii. Is a member of more than ten committees and/or Chairperson of more than five committees, across all the Indian public limited companies in which they are Directors.

For the purpose of determination of committee position limits, chairpersonship and membership positions of the Audit Committee ("AC") and the Stakeholders Relationship Committee ("SRC") have been considered in terms of Regulation 26 of the Listing Regulations.

The above compliances were met throughout the year.

CERTIFICATE REGARDING NON-DEBARMENT AND NON-DISQUALIFICATION OF DIRECTORS

A certificate issued by M/s. KSR & Co Company Secretaries LLP, pursuant to Regulation 34(3) read with Clause 10 (i) of Paragraph C of Schedule V of the Listing Regulations, certifying that none of the Directors on the Board of the Company as on 31st March 2025, have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India, or any such Statutory Authority as attached at the end of the Corporate Governance Report as **"Annexure A"**.

BOARD CONFIRMATION REGARDING INDEPENDENCE OF THE INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Rules framed thereunder, and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

Based on the disclosures received from all the Independent Directors, the Board after taking these declarations/disclosures opined that the Independent Directors fulfil the conditions of independence as prescribed under the Listing Regulations, are persons of integrity, possess the relevant expertise, proficiency, and experience to qualify and continue as Independent Directors of the Company and are Independent of the Management.

None of the Independent Directors of the Company have resigned during the financial year.

MEETINGS OF INDEPENDENT DIRECTORS

Two meetings of Independent Directors were held on 24th September 2024 and 24th March 2025, vis-a-vis the Statutory mandate of holding minimum one meeting in a year. These Meetings were conducted without the presence of the Non-Independent Directors and members of the Management wherein they put forth their views and discussed the matters relating to Company's affairs.

At these Meetings, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairman of the Company, assessed the quality, quantity, and timeliness of the flow of information between the Management and the Board and its Committees that is necessary for the Board to effectively and reasonably perform and discharge its duties. Both these Meetings were well attended by the Independent Directors. Suggestions provided by them were well received by the management for implementation.

FAMILIARISATION PROGRAMME FOR DIRECTORS

The Company has adopted a structured programme for orientation for all Independent Directors at the time of their joining so as to familiarise them with the Company – its operations, business, industry and environment in which it functions and the regulatory environment applicable to it.

Pursuant to the provisions of the Act and Regulation 25(7) of the Listing Regulations, the Company has during the year conducted familiarisation programmes through briefings at Board/ Committee meetings for all its Directors including Independent Directors, which inter alia, included the following:

- Quarterly reviews including Business performance update and Financial review;
- Presentations made by Internal Auditors and Statutory Auditors;
- Updates on Risk Management: identification, mitigation and management of risk including credit risk, operation risks, emerging risks, etc.;
- Review of Strategic Investments and Business Opportunities of the Company;
- Industry Outlook, Competition update; NBFC Sector overview by CRISIL
- Update on Information Technology Framework and strategy including Digitalization initiatives, IT Outsourcing activities, IT related policies and audit reports;
- Strategy/Performance and investments made by subsidiary companies;
- Implementation of Liquidity Risk Management (LRM) framework and Review of LRM & Asset Liability Management (ALM) returns;
- Reviewing of RBI Inspection Report;
- Statutory/Regulatory updates, impact, actionable and implementation status at Board and various Committees of the Board;
- Briefing on CSR activities, BRSR performance and ESG initiatives;
- Update on Company's remuneration policies, Code of Conduct and Succession Planning for Directors, KMPs and Senior Management;
- Formulation, amending and reviewing of various policies at the Board/Committee level;
- News and articles related to the Company;
- Circulating press releases, disclosures made to Stock Exchanges;
- Prevention of Insider Trading Regulations, SEBI Listing Regulations;
- Discussions on Internal Control over Financial Reporting, Internal Control Processes, Framework for Related Party Transactions, etc.;
- Updates on Roles, Rights and Responsibilities of Directors and Company's Policies;
- Training Modules on the following were shared with all Board members and confirmation sought:
  1. Cyber Security
  2. Prohibition of Insider Trading
  3. Business Responsibility and Sustainability Reporting (BRSR)

Pursuant to Regulation 46 of the Listing Regulations, the details of familiarisation programmes are available on the website of the Company at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#familiarization-program.

BOARD PROCEDURES

The Board and its Committees meet at regular intervals to discuss and decide on the Company's business policies and strategies apart from statutory and other routine matters.

Overall strategic direction and periodical review of matters by the Board and its Committees

The Board provides the overall strategic direction and conducts structured reviews by itself or through its Committees, which comprehensively encompasses all the facets of Company operations including periodical review of strategy and business plans, annual operating and capital expenditure budgets, loan disbursements, fund raising proposals, default in financial obligations, if any, NPA Position, LRM and ALM position, credit ratings, ESG initiatives including BRSR and CSR initiatives, investments and exposure limits, RBI Inspection reports, approval and adoption of quarterly/half-yearly/annual results, risk assessment and minimization procedures, stakeholder relationship matters, Policies, compliance report(s) of all laws applicable to the Company, as well as steps taken to rectify instances of non-compliances, if any, review of major legal issues, minutes of the Committees of the Board, major accounting provisions and write-offs, corporate restructuring, details of any joint venture or collaboration agreement(s) etc.

Information and presentations at Meetings

To enable the Board to discharge its responsibilities effectively and take informed decisions, the MD & CEO apprises the Board at every quarterly Board Meeting on the overall performance of the Company, as well as the current market conditions including the Company's business and the regulatory scenario, followed by presentations by the Chief Financial Officer ("CFO") of the Company on Financial performance of Company, its subsidiaries, and JVs. Functional and other updates are also presented to the Board on periodical basis.

Review of subsidiary matters

The Board is briefed on the operating and financial performance of the subsidiaries. The minutes of the Board meetings of your Company's subsidiary companies, business performance along with a statement of all significant transactions, arrangements entered into, and investments made by all the unlisted subsidiary companies are placed before the Board.

Further, observations/ supervisory concerns arising from inspection reports, if any, from regulators governing respective subsidiaries of the Company, penalties levied, if any, and impact of key regulatory changes are also placed before the Board for its review.

Best Corporate Secretarial practices

- Quarterly confirmation was given to committees of the Board that terms of reference have been complied with
- Silent period was observed from 1st day of the month after quarter end till announcement of results, wherein no interactions are held with investors/ analysts/funds to ensure protection of unpublished price sensitive information.

- Quarterly secretarial audit were conducted and the reports were placed before the Board.
- Enhanced Terms of Reference of Board & Committees for increased oversight and providing quarterly confirmations to the Board/ Committees of Board on compliance with specified Terms of reference.
- Summary of all important proposals was sent separately to the Directors.
- Separate meetings of Joint Statutory Auditors, Internal Auditor with Audit Committee were held to enable free and frank discussions.
- Subsidiary oversight includes review of supervisory concerns.
- Investor Grievance Redressal Policy formulated to provide timely redressal and escalation mechanism.
- Secured Board Portal - as archive to all Board materials, and protection of UPSI.

Notice of meetings and agenda

The Company sends the notice of the meetings accompanied by detailed agenda and agenda notes setting out the business to be transacted at the Meeting(s) to each Director at least seven days before the date of the Board and Committee Meetings except in case of shorter notice to transact urgent business. During FY2025, the Company had sent the Board and Committee agendas 9 days prior to the Board and Committee meetings except in case of shorter notice to transact urgent business. All the agenda items were supported by detailed notes, rationale for proposal, documents, and presentations, if any, to enable the Board and Committee to take informed decisions.

During FY2025, only two Board meetings were held at a shorter notice, i.e. on 4th May 2024 and 13th February 2025 to transact the urgent matters.

The Company has a well-established framework for the meetings of the Board and its Committees which seeks to systematise the decision-making process at the Board and Committee meetings in an informed and efficient manner. A summary of all the proposals forming part of the agenda is circulated to the Board for ease of reference. Further, a summary of the minutes is also circulated post conclusion of the meeting.

The key matters placed before the Board during FY2025, inter-alia, included the following:

Strategic, Finance and Operational matters	Statutory and Governance matters
• Reviewing and guiding the corporate strategy; • Business Partnerships; • New products and Policies; • Quarterly/Half yearly /Annual consolidated and standalone results and financial statements of the Company; • Recommendation of Dividend; • Business performance along with performance of subsidiaries; • Annual operating plans and capital budgets; • Regular business/function updates.	• Corporate Social Responsibility related matters; • Appointment and remuneration to Directors, KMP and SMP; • Quarterly compliance certificate with exceptions, if any, of regulatory or statutory compliances; • Noting of RBI Inspection Report under Section 45N of the RBI Act 1934; • Overseeing risk management framework of the Company; • Appointment of Joint Statutory Auditors; • Minutes of meetings of the Board and its committees along with the minutes of its subsidiaries and resolutions passed by circulation; • Adoption/Amendment/Periodical reviews of policies as statutorily required and recommended by the Board Committees; • Approval for re-constitution of Committees of Board and amendment to the terms of reference; • Significant transactions or arrangements by subsidiary companies; • Performance evaluation of the Board, its committees and each director; • Quarterly review of related party transactions and other related matters; • Quarterly review of Complaints, if any, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ["POSH ACT"]; • Quarterly returns on frauds monitoring system; • Annual review of the Internal Audit Report/ Action taken report provided by the Registrar and Transfer Agent; • Materially important show cause, demand, prosecution notices and penalty notices, if any.

Frequency and Calendar of Meetings

The Board and Committee meetings were pre-scheduled, and a calendar of the meetings scheduled in Calendar Year 2024 and 2025 was sent to the Directors well in advance.

The frequency of meetings scheduled and held are higher than the statutory requirement to enable review of all Company matters at periodical intervals. Details are as under:

Nature of Meeting	Frequency of meetings as prescribed statutorily in a year	No. of Meetings held in FY2025
Board	4	9
Audit Committee	4	11
Nomination and Remuneration Committee	1	4
Stakeholders Relationship Committee	1	2
Risk Management Committee	2	4
Corporate Social Responsibility Committee	Not prescribed	3
Asset Liability Committee	Not prescribed	4
IT Strategy Committee	2	6
Digital and AI Committee (Voluntary Committee)	Not Applicable	4
Special Committee of Board for Monitoring and follow-up of Fraud cases#	Annually, As and When required	1
Review Committee for Classification of Wilful Defaulters*	Annually	0
Independent Directors Meeting	1	2

#The Committee was formed on 22nd October 2024
*The Committee was formed on 24th March 2025

Process for preparation of Agendas for Board and its Committees

The agenda of the Board and the Committee Meeting are prepared in consultation with the Chairman, MD, and the CFO. The Agenda proposals are also shared with Chairpersons of respective Committees to seek their inputs before dispatch of Agenda. Members of the Board/Committees are encouraged to freely express their views on the agenda items and are assisted with necessary clarifications and information that they might need with respect to the Agenda even prior to the meeting to enable meaningful participation at the meeting. Summary of Board/ Committee proposals is also shared prior to the meeting for easy reference.

Secured Electronic Board Portal

The Company has a secured Board portal which inter-alia provides a one stop and seamless solution for access and archive to Board / Committee materials to all the Directors and helps in protection of UPSI.

Post meetings follow up procedure

An Action Taken Report on the key decisions taken/ suggestions made at Board and Committee Meetings is recorded with details of owner and Target date and update thereof is placed and discussed at the subsequent meetings of the Board and the Committee for its review.

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND DIRECTORS

The Act and the Listing Regulations stipulate the evaluation of the performance of the Board, its Committees, Individual Directors, and the Chairperson.

The Company has formulated a process for performance evaluation of the Independent Directors, the Board, its Committees and other individual Directors via secured Board Portal which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

An annual performance evaluation exercise was carried in compliance with the applicable provisions of the

Act, Listing Regulations, the Company's Code of Independent Directors and the criteria and methodology of performance evaluation approved by the NRC as under:

Evaluating body	Evaluatee	Broad criteria and parameters of evaluation	Process of evaluation
The Board, the NRC and the Independent Directors	The Board as a whole	Review of fulfilment of Board's responsibilities including Strategic Direction, financial reporting, risk management framework, ESG, Grievance redressal, succession planning etc., knowledge of industry trends, diversity of Board etc. and feedback to improve Board's effectiveness.	Internal assessment through a structured and separate rating-based questionnaire for each of the evaluations. The evaluation is carried out on a secured online portal whereby the evaluators are able to submit their ratings and qualitative feedback, details of which are accessible only to the NRC Chairperson. The NRC also reviews the implementation and compliance of the evaluation exercise done annually. The results and outcome are evaluated, deliberated upon and noted by the Independent Directors, the NRC, and the Board at their respective meetings.
The Board	The Committees of the Board (separately for each Committee)	Structure, composition, attendance and participation, meetings of Committees, effectiveness of the functions handled, Independence of the Committee from the Board, contribution to decisions of the Board, etc.	
The Board, the NRC, and the Independent Directors	Independent Directors including those seeking re-appointment, Non - Independent Directors, and the MD (excluding the Director being evaluated)	Qualifications, experience, skills, independence criteria, integrity of the Directors; contribution and attendance at meetings; ability to function as a team and devote time, fulfilment of functions, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry, fairness and transparency demonstrated, adequacy resource staffing etc.	
The Board, the NRC and the Independent Directors	Chairperson	Skills, expertise, effectiveness of leadership, effective engagement with other Board members during and outside meetings, allocation of time provided to other Board members at the meetings and ability to steer the meetings, commitment, impartiality, ability to keep Shareholders' interests in mind, effective engagement with shareholders during general meetings etc.	

The questionnaires for performance evaluation are comprehensive and in alignment with the guidance note on Board evaluation issued by the Securities and Exchange Board of India ("SEBI"), vide its circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5th January 2017 as amended and merged with SEBI Master Circular dated November 11, 2024 and are in line with the criteria and methodology of performance evaluation approved by the NRC.

Outcome and results of the performance evaluation for FY 2025

The Directors expressed their satisfaction with the Evaluation process. During the year under review, NRC ascertained and reconfirmed that the deployment of "questionnaire" as a methodology, is effective for evaluation of performance of Board and Committees and individual Directors.

The evaluation outcomes for the year under review were deliberated upon at length with the Board members, committee chairpersons and individual Directors. The results underscore a good level of engagement and diligence by the Board and its various committees, and by the senior leadership.

It was noted that the Board and Committee meetings are meticulously planned and conducted with efficiency , in terms of comprehensive pre-reads being sent well in advance, and constructive participation and deliberations at the meeting led by the Chair. This enabled the Board and Committees to discharge their role effectively and focus on governance and internal controls.

During the year under review, the terms of reference of the Board and Committees were revisited with a view to aligning the same with regulatory expectations, and best group and industry practices, so as to to bring renewed focus on review matters.

Board members were appreciative that during the year under review, the Board and its Committees performed their role well, particularly in the areas of financial discipline, strategic direction, compliances , succession planning and performance review. Based on the outcome of the evaluation of the year under review, the Board has agreed to deepen its focus on ESG, risk management and oversight of subsidiaries, with continued focus on maintaining high standards of performance and governance, to enhance the value for all its stakeholders.

POLICY ON REMUNERATION OF DIRECTORS AND THE POLICY ON REMUNERATION OF KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT AND OTHER EMPLOYEES OF THE COMPANY

Your Company has adopted the Policy on Remuneration of Directors and the Policy on Remuneration of Key Managerial Personnel, Senior Management, and other Employees of the Company in accordance with the provisions of sub-section (4) of Section 178 of the Act, Scale Based Regulations notified by the Reserve Bank of India and Listing Regulations.

Remuneration Policy for KMPs, SMPs and other employees encompasses clawback, malus clauses to be invoked in cases of fraud, breach of trust, misfeasance etc.

The Policy on Remuneration of Directors of the Company was last amended on 28th January 2025 basis the recommendation of the Nomination and Remuneration Committee ("NRC"), to inter-alia, align the same with amended legal provisions and introduce certain clauses.

The said Policies is uploaded on the website of the Company and can be accessed at https: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies.

REMUNERATION TO DIRECTORS

The eligible Non-Executive Directors are paid remuneration in the form of sitting fees and commission within the limits prescribed under the Act. The remuneration payable to eligible Non-Executive Directors is recommended by the NRC to the Board of Directors.

The NRC while deciding the basis for determining the remuneration to the eligible Non-Executive Directors, takes into consideration various relevant factors, including the overall compensation guidelines of the Mahindra Group pertaining to commission, current trends and practices in relevant industries, the market trends in terms of compensation levels, responsibilities undertaken by the Directors such as Chairpersonship/membership of Committees and their contribution in enhancing stakeholders' value resulting in overall growth of the Company and such other factors as the NRC may deem fit.

The eligible Non-Executive Directors are paid sitting fees for attending meetings of the Board of Directors at ₹ 1,00,000 per meeting per Director, and for Committees at ₹ 60,000 per meeting per Member.

The Company has not granted Stock Options/RSUs to any of its Non- Executive Directors during the year under review.

None of the Non-Executive Directors received remuneration in excess of 50% of the total remuneration paid to all the Non-Executive Directors during the year ended 31st March 2025.

Remuneration of Executive Directors includes salary, perquisites, allowances, benefits, amenities, retirals, viz. superannuation, gratuity, provident fund and stock options. The remuneration of Directors is recommended by the NRC to the Board, within the overall limits approved by the Shareholders of the Company.

The NRC while deciding the basis for determining the remuneration of the Executive Directors takes into consideration the individual performance and the business performance. The business performance is evaluated using a Balanced Score Card ("BSC") while individual performance is evaluated on Key Result Areas ("KRAs"). Both the BSC and KRAs are evaluated at the end of the financial year to arrive at the BSC rating of the business and performance rating of the individual. The performance pay is paid annually basis the Company and individual performance.

Directors' Remuneration for FY2025:

Executive Director ("ED")

(₹ in Crore)

Name of the Directors	Salary	Perquisites and allowances	Performance Pay	Company's contribution to Funds#	Total	Contract Period	Notice Period
Mr. Ramesh Iyer, VC & MD	0.12	1.01	Please refer note a	2.52 (Please refer note a)	3.65	As MD designated as "Vice Chairman & Managing Director" for a period of 3 years with effect from 30th April 2021 to 29th April 2024.	3 months
Mr. Raul Rebello, MD & CEO	1.00	1.64	1.05	0.26	3.95	Whole-time Director and KMP, designated as "Executive Director and MD & CEO Designate" with effect from 1st May 2023 up to 29th April 2024 and, as the MD designated as "Managing Director & CEO" with effect from 30th April 2024 to 30th April 2028	3 months

Aggregate of the Company's contribution to Superannuation fund, and Provident fund, and Gratuity amount paid to Director on superannuation.

Notes:

a Mr. Ramesh Iyer superannuated as Vice Chairman & Managing Director effective close of business hours on 29th April 2024. Amount paid to him till 29th April 2024 is shown as director remuneration in the table above. ₹ 2.52 Crore shown in table above is towards gratuity payment. Post his superannuation, ₹ 2.35 Crore was paid to him towards performance pay out for FY 2024 and ₹ 3 Crore was paid as appreciation award for significant contributions made by him during his glorious career spanning over 3 decades with the Company. Mr. Ramesh Iyer exercised 1,03,318 vested ESOPs on 12th July 2024, which were granted to him under ESOP Scheme 2010. No fresh stock options under RSU Plan 2023 or ESOP scheme 2010 were granted to Mr. Ramesh Iyer during FY 2025. 7,251 RSUs have vested as on 31st March 2025 from RSUs granted in FY 2024 and same has been exercised on 13th May 2025.

b None of the Executive Directors have received any amount as remuneration from the Subsidiaries of the Company during FY 2025.

c RSUs and Performance Pay are performance linked. Other components are fixed. There is no provision for the payment of severance fees.

d The Performance Pay/Incentive is linked to assessment of performance. Performance assessment is based on achievement of individual targets linked to KRAs for the year, defined Level of performance for the role / individual, and Company's / Business's / Functions' budgets /targets/ objectives and achievements.

Details of RSUs granted during FY 2025 under RSU Plan 2023 to Executive Director:

	Mr. Raul Rebello	
Date of grant	23.04.2024	21.10.2024
No. of RSUs granted	1,05,486	65,539
Exercise Price	₹ 2/- per share	₹ 2/- per share
Vesting period	Vesting in 5 tranches	Vesting in 3 tranches
Vesting Conditions	Performance based (Individual & Company) Company Performance parameters include Asset Quality, Cost control, Profit growth (PAT), Digital maturity, Environmental, Social & Governance (ESG) performance.	

Notes:

- Total RSUs granted till 31st March 2025 - 188,401 of which 5,164 RSUs have vested as on 31st March 2025.
- No ESOPs have been granted to Mr. Raul Rebello under ESOP Scheme 2010.

Non-Executive Directors

(₹ in Crore)

Name of the Directors	Sitting Fees for FY2025 (Gross)	Commission for the year ended 31st March 2024 paid in FY2025	Commission for the year ended 31st March 2025 provided as payable in the accounts of the Company for the year under review
Non-Executive Non-Independent Directors ("NED")			
Dr. Anish Shah	Nil	Nil	Nil
Mr. Ashwani Ghai*	0.08	0.26	0.39
Mr. Amarjyoti Barua	Nil	Nil	Nil
Independent Directors ("ID")			
Mr. C.B. Bhave#	0.23	0.36	0.34
Mr. Milind Sarwate	0.29	0.36	0.40
Dr. Rebecca Nugent	0.14	0.36	0.40
Mr. Diwakar Gupta	0.25	0.35	0.40
Mr. Vijay Kumar Sharma**	0.09	NA	0.35
Ms. Rama Bijapurkar^	0.09	0.36	0.14
Mr. Dhananjay Mungale^	0.11	0.36	0.14

* Mr. Ashwani Ghai was appointed as Non-Executive Director on the Board of the Company w.e.f. 23rd June 2023, representing Life Insurance Corporation of India ("LIC") on the Board. Sitting fee and commission both were paid to LIC . With effect from 1st May 2024 (post his retirement from LIC) sitting fees is being paid to Mr. Ashwani Ghai and Commission will be paid to LIC.

** Mr. Vijay Kumar Sharma was appointed w.e.f. 15th May 2024.

Mr. C.B. Bhave ceased to be independent Director of the Company w.e.f. 2nd February 2025.

^ Mr. Dhananjay Mungale and Ms. Rama Bijapurkar ceased to be Independent Directors of the Company w.e.f. 23rd July 2024.
Note -: Commission would be paid on proprtionate basis to the Director's who were appointed / ceased during the year.

Considering the performance of the Company and significant contribution made by the Independent Directors, their chairmanship/membership across the Committees, the board basis the recommendation of NRC approved the increase in the commission amount as given in table above for FY2025.

During 2024-25, the Company did not advance loans to any of its Directors, their relatives or any firms in which they are interested.

CODES OF CONDUCT

In compliance with Regulations 17(5) and 26(3) of the Listing Regulations, the Board has laid down Codes of Conduct for Board Members and for Senior Management and Employees of the Company ("Codes").

These updated Codes have been posted on the Company's website at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies.

The Board has also laid down a Code of Conduct for Independent Directors pursuant to Section 149(8) read with Schedule IV of the Act, which is a guide to professional conduct for Independent Directors of the Company.

All the Board Members and Senior Management Personnel have affirmed compliance with these Codes. A declaration signed by the Managing Director & CEO to this effect is enclosed at the end of this Report.

CEO & CFO CERTIFICATION

As required under Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, Managing Director ("MD") and the Chief Financial Officer of the Company ("CFO") have jointly certified to the Board regarding the Financial Statements and internal controls relating to financial reporting for the year ended 31st March 2025.

The MD & CEO and the CFO also jointly give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

RISK MANAGEMENT FRAMEWORK

Risk management forms an integral part of the Company's business. As a lending institution, the Company is exposed to various risks that are related to its lending business and operating environment. Your Company has a well-defined risk management framework in place. The risk management framework works at various levels across the Company. The risk management framework is based on assessment of all risks through proper analysis and understanding of the underlying risks before undertaking any transactions and changing or implementing processes and systems. This risk management mechanism is supported by regular review, control, self-assessments and monitoring of key risk indicators.

The Risk Management structure includes identification of elements of risk, including those which in the opinion of the Board, may threaten the existence of the Company. Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats. Further, it is embedded across all the major functions and revolves around the goals and objectives of the Company. Through the Board approved Risk Management Policy, a risk conscious culture is led across the Company.

The Board of Directors monitor and manage the risks faced by the Company through its committees - the Risk Management Committee, the Asset Liability Committee and the Audit Committee.

The Risk Management framework adopted by the Company is discussed in detail in the Management Discussion and Analysis Report, forming part of this Integrated Annual report.

Software usage for ensuring statutory compliances

The Company has a software for ensuring compliances with all applicable laws and statutory obligations. The said software provides for timely alerts and advisory to ensure compliances within stipulated timelines.

To mitigate compliance risk and to ensure timely dissemination and adherence to information on regulatory prescriptions and guidelines, the Company has put in place mechanism (circular Management process) to disseminate to the stakeholders regulatory guidelines with specific actionable emanating from the same for timely implementation.

Internal Guidelines on Corporate Governance

In accordance with the provisions of the Listing Regulations and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended, the Company has in place the Internal Guidelines on Corporate Governance and the same is also published on the website of the Company, for the information of the stakeholders.

COMMITTEES CONSTITUTED BY THE BOARD

The Committees are constituted by the Board focus on specific areas and take informed decisions within the framework of delegated authority and make specific recommendations to the Board on matters within their areas or purview. The decisions and recommendations of the Committees are placed before the Board for information or for approval, as required.

Pursuant to RBI's Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended, the CEO/ MD or the Executive Director (ED) should head the Asset Liability Committee. Hence all the Committees of the Board except Asset Liability Committee ("ALCO"), and Review Committee for Classification of Wilful Defaulters ("RCCWD") are chaired and led by an Independent Director.

The composition, role and functioning of these Committees is in compliance with the applicable provisions of the Act, Listing Regulations and applicable RBI Directions. Further, the constitution and role of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Asset Liability Committee and IT Strategy Committee is also in consonance with the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (up to 19th October 2023), Master Directions - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023, Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices issued by the Reserve Bank of India and Internal Guidelines on Corporate Governance.

Further two additional committees were constituted during the year under review, i.e. Special Committee of the Board for Monitoring and Follow-up of Fraud cases ("SCBMF") as per RBI's Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) dated 15th July 2024, and "Review Committee for classification of wilful defaulters ("RCCWD")" as per RBI's Master Direction on Treatment of Wilful Defaulters and Large Defaulters dated 30th July 2024.

During the year under review, all the recommendations received from all its committees were accepted by the Board.

Summary of the 11 Board level Committees and their constitution as on 31st March 2025 in nutshell is as under

Board

Audit Committee
Mr. Diwakar Gupta - (ID) (C)
Mr. Milind Sarwate
Mr. Vijay Kumar Sharma
Mr. Amarjyoti Barua

Nomination and Remuneration Committee
Mr. Diwakar Gupta - (ID)(C)
Dr. Anish Shah
Mr. Milind Sarwate
Mr. Vijay Kumar Sharma

Stakeholders Relationship Committee
Mr. Vijay Kumar Sharma - (ID) (C)
Mr. Ashwani Ghai
Mr. Raul Rebello

Corporate Social Responsibility Committee
Mr. Diwakar Gupta - (ID) (C)
Mr. Vijay Kumar Sharma
Mr. Raul Rebello

Risk Management Committee
Mr. Milind Sarwate - (ID) (C)
Mr. Diwakar Gupta
Mr. Raul Rebello
Mr. Amarjyoti Barua

IT Strategy Committee
Mr. Milind Sarwate - (ID) (C)
Dr. Rebecca Nugent
Mr. Raul Rebello
Mr. Amarjyoti Barua

Asset Liability Committee*
Mr. Raul Rebello - (ED) (C)
Mr. Milind Sarwate
Mr. Diwakar Gupta
Mr. Amarjyoti Barua

Digital and AI Committee*
(Voluntary Initiative)
Dr. Rebecca Nugent - (ID) (C)
Mr. Milind Sarwate
Mr. Raul Rebello
Mr. Amarjyoti Barua

Committee for Strategic Investments
Mr. Milind Sarwate - (ID) (C)
Mr. Ashwani Ghai
Dr. Anish Shah
Mr. Raul Rebello

Special Committee of the Board for Monitoring and Follow-up of Fraud cases ("SCBMF")
Mr. Diwakar Gupta - (ID) (C)
Mr. Milind Sarwate
Mr. Raul Rebello

Review Committee for Classification of Wilful Defaulters ("RCCWD")
Mr. Raul Rebello - (ED) (C)
Mr. Amarjyoti Barua
Mr. Ashwani Ghai

ID - Independent Director, ED - Executive Director, C - Chairperson

*In addition to the Board members, the said Committee includes employees who are part of the Senior Management, as Members of the Committee, details of which are mentioned in this report.

All Committees except Asset Liability Committee and RCCWD are chaired by Independent Directors.

Initiative was taken during FY 2025 to revisit the charters / update the terms of reference of Board and its Committees in alignment with applicable regulatory requirements and best practices. Quarterly confirmation is provided on compliance with terms of reference.

Audit Committee

The Audit Committee of the Board is constituted in compliance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations. All the Members of the Committee are financially literate and possess strong accounting and related financial management expertise. The Chairman of the Audit Committee is an Independent Director and was present at the 34th AGM of the Company to address the Shareholders' queries.

Meetings of Audit Committee

During FY2025, the Audit Committee met eleven times i.e. on 15th April 2024, 22nd April 2024, 23rd April 2024, 4th May 2024, 23rd July 2024, 24th September 2024, 8th October 2024, 22nd October 2024, 18th December 2024, 28th January 2025 and 24th March 2025. Quorum was present at all Meetings and the gap between two Meetings did not exceed 120 days.

The Audit Committee also periodically meets the Statutory Auditors and Internal Auditors of the Company without presence of the Management of the Company to assess the effectiveness of the audit processes and address any concerns.

Audit Committee Constitution

Composition	Statutory Requirement	No. of Members as on 31st March 2025
Total Members	Minimum 3 Directors	4
Independent Directors	Minimum 2/3 Members	3 (more than 2/3rd)
Non- Executive Non- Independent Director	-	1

Audit Committee composition as at 31st March 2025 and attendance at the meetings held during FY2025

Audit Committee Members	Category	Date of Appointment	Date of Cessation	Attendance and Meetings	% Attendance
Mr. C. B. Bhave (Chairperson)	ID	10.02.2015	02.02.2025	10 out of 10	100%
Mr. Diwakar Gupta (Chairperson)	ID	03.02.2023	-	11 out of 11	100%
Mr. Amarjyoti Barua	NED	27.10.2023	-	11 out of 11	100%
Mr. Dhananjay Mungale	ID	17.02.2000	23.07.2024	5 out of 5	100%
Mr. Milind Sarwate	ID	09.04.2019	-	11 out of 11	100%
Ms. Rama Bijapurkar	ID	27.10.2008	23.07.2024	4 out of 5	80%
Mr. Vijay Kumar Sharma	ID	03.02.2025	-	1 out of 1	100%

Notes:
- Basis the request, Ms. Rama Bijapurkar was granted Leave of Absence ("LOA") from attending Audit Committee meeting held on 15th April 2024.
- Mr. Diwakar Gupta was appointed as a Chairperson of Audit Committee w.e.f. 3rd February 2025.

Terms of reference of Audit Committee

The terms of reference of this Committee are very wide and are in line with the regulatory requirements mandated by the Act and Part C of Schedule II of the Listing Regulations.

Besides having access to all the required information from the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. The terms of reference include, inter alia, oversight of the Company's financial reporting process and the disclosure of its financial information, reviewing with the Management the quarterly and annual financial statements and the Auditors' Report thereon before submission to the Board for approval, select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, approve transactions of the Company with related parties including subsequent modifications thereof and grant omnibus approvals for related party transactions subject to fulfilment of certain conditions, recommendation for appointment/re-appointment and remuneration of Auditors, review and monitor the Auditor's independence and performance, effectiveness of the audit process, suggestions and other related matters, scrutinise intercorporate loans and investments, reviewing with the Management the statement of uses/ application of funds raised through an issue as well as the funds utilised for the purpose other than those stated in the offer document/ prospectus/ notice, , oversight of Company's compliance reporting as mandate by RBI, information security audit, appointment of internal auditor and performance review etc.

The Audit Committee has been granted powers as prescribed under Regulation 18 (2)(c) and reviews all the information as prescribed in Regulation 18(3) read with the Paragraph B of Part C of Schedule II of the Listing Regulations.

Special Audit Committee meetings to deliberate on Internal Audit Observations

Two special Audit Committee meetings were held i.e. on 24th September 2024, and 18th December 2024 to review the Internal Audit Reports and deliberate on the Internal Audit Observations made by the Internal Audit Team.

Separate meetings between the Internal Auditor and the Audit Committee

Three separate meetings between the Internal Auditor and the Audit Committee, without the presence of Management, were enabled to facilitate free and frank discussion amongst them, which were held on 23rd April 2024, 24th September 2024 and 22nd October 2024.

Separate meetings between the Joint Statutory Auditors and the Audit Committee

Two separate meetings between the Joint Statutory Auditors and the Audit Committee, without the presence of Management, were enabled to facilitate free and frank discussion amongst them, which were held on 4th May 2024 and 22nd October 2024.

Audit committee on annual basis reviews auditors' independence, performance and audit process effectiveness through an evaluation questionnaire wherein management provides ratings on aspects like audit team strength & quality control processes, understanding of the company's operations, assessment of their independence, strong technical knowledge and professional scepticism, etc.

Separate meetings between the Chief Compliance Officer and the Audit Committee

Two separate meetings between the Chief Compliance Officer and the Audit Committee, without the presence of Management, were enabled to facilitate free and frank discussion amongst them, which were held on 22nd October 2024, and 28th January 2025.

Separate Meeting with Credit Rating Agencies

In compliance with the provisions of SEBI Circular No. SEBI/HO/DDHS/DDHS-POD3/P/CIR/2024/47 dated 16th May 2024, the Members of the Audit Committee interact with the Credit Rating Agencies ("CRAs") at a separate Audit Committee Meeting on annual basis. Separate meeting with CRAs was held on 24th March 2025 to inter alia discuss matters including related party transactions, internal financial controls and other material disclosures made by the Company.

Invitees to Audit Committee Meetings

The Executive Directors, Chief Human Resources Officer, Chief Compliance Officer, Chief Risk Officer, Legal Head, Internal Auditor, Statutory Auditors, Chief Financial Officer, Financial Controller and Head-Accounts are invited to attend the Audit Committee Meetings. The Company Secretary acts as a secretary to the Committee.

The key activities of the Audit Committee during FY2025

The details of key matters reviewed/ recommended/ approved by the Audit Committee during FY2025 as per the terms of reference, prescribed statutorily and by the Board were as under:

Key Matters reviewed/ recommended to Board / approved by the Committee during FY2025	Frequency
Recommended Quarterly, Half yearly and Annual Standalone and Consolidated financial statements/ results of the Company and other related matters	Q/H/A
Reviewed the internal audit findings, the action taken status and other matters concerning the internal audit functioning of the Company	Q/H/E
Reviewed and granted prior omnibus/ specific approvals for transactions with related parties and review of the same.	Q/H/A
Noted the report received from an independent /third-party firm appointed to conduct review of Related Party Transactions.	E
Review of Internal Audit Reports and Regulatory Inspection Reports of Subsidiaries	Q/H/E
Recommended the appointment of the Joint Statutory Auditors and the fees payable to them along with the fees payable for other permitted services to be rendered by the Statutory Auditors.	E/A
Approved and recommended the appointment of the Head of Internal Auditor ("HIA") and remuneration payable to HIA.	E
Reviewed the performance of the Joint Statutory Auditors and Internal Auditors	A
Reviewed the Management's discussion and analysis of the financial condition and results of operations of the Company	A
Reviewed the Directors' Responsibility Statement	A
Reviewed the financial statements, in particular the investments made by all subsidiary companies and all significant transactions and arrangements entered into by the subsidiary companies	Q
Discussion with Credit Rating Agencies on governance & internal control matters	A
Reviewed and approved Risk based Internal Audit Plan	P
Reviewed the report and complaints, if any, under Whistle blower Policy and Report under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	Q
Reviewed compliance of Insider Trading Regulations and Systems for Internal Controls for prevention of Insider Trading	Q/A
Evaluated internal financial controls and risk management systems	P/Q
Reviewed with the management, the statement of uses/ application of funds raised through Private Placement of Non-convertible Debentures	Q
Reviewed fraud monitoring report	Q
Recommended to the Board the amendment to the Policy on Insider Trading, Policy on materiality of and dealing with Related Party Transactions, Expected Credit Loss Policy, etc.	E

Q- Quarterly; A- Annually; H - Half yearly; E- Event based; P- Periodically

Nomination and Remuneration Committee ("NRC")

The NRC of the Board is constituted in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations. The NRC comprises only Non-Executive Directors. NRC is headed by an Independent Director.

Meetings of NRC

During FY2025, the NRC met four times i.e. on 22nd April 2024, 22nd July 2024, 21st October 2024 and 27th January 2025. All the Meetings were well attended.

NRC Constitution

Composition	Statutory Requirement	No. of Members as on 31st March 2025
Total Members	Minimum 3 Directors	4
Independent Directors	Minimum 2/3 Members	3(more than 2/3rd)
Non- Executive Non- Independent Director	-	1

NRC composition as at 31st March 2025 and attendance at the meetings held during FY2025

NRC Members	Category	Date of Appointment	Date of Cessation	Attendance and Meetings	% Attendance
Mr. Diwakar Gupta (Chairperson)	ID	03.02.2023	-	4 out of 4	100%
Mr. Dhananjay Mungale (Chairperson)	ID	19.03.2014	23.07.2024	2 out of 2	
Dr. Anish Shah	NED	15.05.2020	-	4 out of 4	
Mr. C. B. Bhave	ID	18.03.2016	02.02.2025	4 out of 4	
Mr. Milind Sarwate	ID	23.09.2019	-	4 out of 4	
Mr. Vijay Kumar Sharma	ID	03.02.2025	-	NA	NA

Note:
- Mr. Diwakar Gupta was appointed as a Chairperson of Nomination and Remuneration Committee w.e.f. 24th July 2024.

Terms of reference of NRC

The terms of reference of this Committee are in line with the regulatory requirements mandated in the Act and Part D of Schedule II of the Listing Regulations and applicable RBI guidelines.

The NRC has been vested with the authority to, inter alia, establish criteria for selection to the Board with respect to the competencies, qualifications, experience, track record and integrity, and recommend candidates for Board Membership, develop and recommend policies with respect to remuneration of Board, KMPs, senior management and employees of the Company commensurate with the size, nature of the business and operations of the Company, establish Director retirement policies and appropriate succession plans, devise policy on Board Diversity, performance evaluation of Board and its committees, recommend remuneration of senior management to the Board, determine overall compensation policies of the Company, and administer the "Mahindra & Mahindra Financial Services Limited Employees' Stock Option Scheme - 2010" and administration of RSU Plan and take appropriate decisions in terms of the concerned Scheme(s).

The Committee is also empowered to opine, in respect of the services rendered by a Director in professional capacity, whether such Director possesses requisite qualification for the practice of the profession.

The key activities of the Nomination and Remuneration Committee during FY2025

The Committee reviewed/ recommended and approved the matters during FY2025 as per the terms of reference, prescribed statutorily and by the Board. The key activities of the NRC are briefed as under:

Key Matters reviewed/ recommended to Board / approved by the Committee during FY2025	Frequency
Recommended the remuneration payable to Directors, KMPs and Senior Management to the Board	A
Noted the Fit and Proper declaration of Directors	A
Noted the annual performance evaluation of Board and Committees for FY 2025	A
Recommending reappointment of Directors liable to retire by rotation	E
Approved grants and vesting criteria for grants under MMFSL RSU Plan 2023 and other related matters	E
Succession planning and Attrition Analysis	A
Recommend amendments to Policy for Remuneration to Directors	E
To recommend appointment and remuneration of SMP	E
To recommend the appointment and remuneration of CFO, and interim CFO to Board	E

A- Annually; E- Event based

Compliance with Fit & Proper Criteria for Directors

The Committee, in accordance with the Policy on 'Fit and Proper' Criteria for Directors, ensures the "Fit and Proper" status of Directors at the time of appointment and on a continuing basis, as prescribed by the Reserve Bank of India.

All Directors of the Company have confirmed that they satisfy the "Fit and Proper" criteria as prescribed under the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (up to 19th October 2023) and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19th October 2023, as amended.

Stakeholders Relationship Committee ("SRC")

The composition of the SRC of the Board satisfies the requirements of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the Listing Regulations. SRC is headed by an Independent Director.

Meetings of the SRC

During FY2025, the SRC met two times i.e. on 22nd April 2024 and 21st October 2024. All the Meetings were well attended.

SRC Constitution

Composition	Statutory Requirement	No. of Members as on 31st March 2025
Total Members	Minimum 3 Directors	3
Independent Director	Minimum 1	1
Executive Director	-	1
Non-Executive Non-Independent Director	-	1

SRC composition as at 31st March 2025 and attendance at the meetings held during FY2025

SRC Members	Category	Date of Appointment	Date of Cessation	Attendance and Meetings	% Attendance
Ms. Rama Bijapukar (Chairperson)	ID	23.04.2015	23.07.2024	1 out of 1	100%
Mr. Vijay Kumar Sharma (Chairperson)	ID	24.07.2024	-	1 out of 1	100%
Mr. Ashwani Ghai	NED	03.02.2025	-	NA	-
Mr. Ramesh Iyer	ED	27.10.2005	29.04.2024	1 out of 1	100%
Mr. Raul Rebello	ED	30.04.2024	-	1 out of 1	100%
Mr. C. B. Bhave	ID	09.04.2019	02.02.2025	2 out of 2	100%

Note:
- Mr. Vijay Kumar Sharma was appointed as a Chairperson of SRC w.e.f. 24th July 2024.

Ms. Brijbala Batwal, Company Secretary is the Compliance Officer of the Company under Regulation 6 of the Listing Regulations and the Nodal Officer under IEPF Rules.

Terms of reference of SRC

The role and terms of reference of the Committee covers the areas as contemplated under Regulation 20 read with Part D of Schedule II of the Listing Regulations and section 178 of the Act, as applicable, besides the other terms as referred by the Board of Directors.

The Committee meets, as and when required, to inter-alia, deal with matters relating to transfer/transmission of shares and debentures, approve requests for issue of duplicate share/ debenture certificates, issue of new Share Certificate(s) (including for transfer to the Investor Education and Protection Fund, as per the provisions of the Act and Rules framed thereunder), monitor redressal of grievances of security holders including customers, review of measures taken for effective exercise of voting rights by Shareholders, review of adherence to the service standards adopted by the Company in respect of services being rendered by the Registrar & Transfer Agent (RTA), review of Annual Audit Report submitted by the independent auditors on the annual internal audit conducted on the RTA operations as mandated by SEBI, formulation and administration of Customer Grievance Redressal Policy, review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends, ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the Shareholders of the Company. Review Policy inputs of Internal Ombudsman ("IO"), periodic reports, Formulate and approve a Standard Operating Procedure (SOP) and establish a fully automated Complaints Management Software for auto-escalation of complaints to IO.

Further, a report on Customer Grievance Redressal pertaining to grievances/ complaints received from the Company's customers is also placed before the Committee for its review. Internal Ombudsman is invitee to SRC.

The key activities of the Stakeholders Relationship Committee during FY2025

The Committee reviewed/ recommended and approved the matters during FY2025 as per the Terms of reference, prescribed statutorily and by the Board.

Key Matters reviewed/ recommended/ approved by the Committee during FY2025	Frequency
Reviewed the report on Customer Grievance Redressal and Investor Complaints	P
Reviewed the complaints received from fixed deposit investors and action taken thereon	P
Recommended Customer Grievance Redressal Policy	E
Reviewed compliances related to KFin Technologies Limited ("RTA/ KFin") activities and Investor Related Compliances	A
Noted the amount pertaining to Fixed Deposits, Dividend and shares transferred to IEPF	A
Reviewed various initiatives undertaken by the Company to enable security holders to claim their unclaimed matured fixed deposits/ unclaimed dividend/ debentures, due for transfer to IEPF.	A
Noted the initiatives taken to convert the physical shareholding into demat mode.	A
Noted the feedback received from security holders via security holders' satisfaction survey	E
Reviewed the Action Taken Report provided by RTA on the basis of the report from their Internal Auditor	A
Noted the status of transmission/ dematerialisation and issue of duplicate Share/ Debenture certificates	P
Review/Noting of: (i) Unclaimed amounts transferred to IEPF (ii) Initiatives taken to reduce the unclaimed amounts to be transferred to IEPF (iii) Measures taken for effective exercise of voting rights by shareholders	A

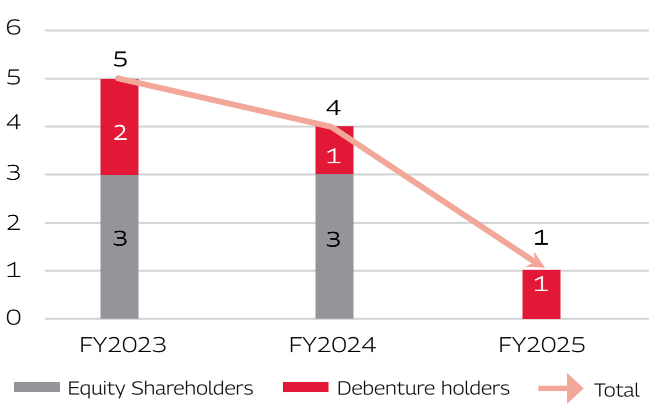
A-Annually; P- Periodically; E-Event based

Details of complaints/grievances received from Investors and resolved by the Company during the year is given below:

Status of Complaints from Equity and Debenture holders	FY2025
Number of complaints at the beginning of the year	0
Number of complaints received during the year	1*
Number of complaints not solved to the satisfaction of security holder	1
Number of complaints pending at the end of the year	0

* Pertained to Public NCDs for non-receipt of TDS Certificate.

Investor Complaints



Corporate Social Responsibility ("CSR") Committee

The CSR Committee of the Board is constituted in compliance with the requirements of Section 135 of the Act, led by an Independent Director.

Meetings of CSR Committee

During FY2025, the CSR Committee met three times i.e. on 18th April 2024, 21st October 2024 and 27th January 2025. All Meetings were well attended.

CSR Constitution

Composition	Statutory Requirement	No. of Members as on 31st March 2025
Total Members	Minimum 3 Directors	3
Independent Directors	1	2
Executive Director	-	1

CSR Committee composition as at 31st March 2025 and attendance at the meetings held during FY2025:

CSR Committee Members	Category	Date of Appointment	Date of Cessation	Attendance and Meetings	% Attendance
Mr. Dhananjay Mungale (Chairperson)	ID	09.04.2019	23.07.2024	1 out of 1	100%
Mr. Diwakar Gupta (Chairperson)	ID	24.07.2024		2 out of 2	
Mr. Ramesh Iyer	ED	15.03.2013	29.04.2024	1 out of 1	
Mr. Raul Rebello	ED	30.04.2024	-	2 out of 2	
Ms. Rama Bijapurkar	ID	09.04.2019	23.07.2024	1 out of 1	
Mr. Vijay Kumar Sharma	ID	24.07.2024	-	2 out of 2	

Note:
- Mr. Diwakar Gupta was appointed as a Chairperson of CSR Committee w.e.f. 24th July 2024.

Terms of reference of CSR

The CSR Committee has been constituted by the Board of Directors with powers, inter alia, to make donations/ contributions to any Charitable and/or CSR projects or programs to be implemented directly or through eligible executing agency(ies), of at least two percent of the Company's average net profits during the three immediately preceding Financial Years in pursuance of its CSR Policy for the Company's CSR initiatives.

The role of CSR Committee includes formulating and recommending to the Board an annual action plan consisting of: (i) list of approved projects or programs to be undertaken within the purview of Schedule VII of the Act; (ii) manner of execution of such projects; (iii) modalities of utilisation of fund; (iv) implementation schedules; (v) monitoring and reporting mechanism for the projects; (vi) details of need and impact assessment, if any, for the projects undertaken and also to monitor the CSR Policy periodically, etc.

The scope of the Committee also includes, inter alia, the formulation and recommendation to the Board for its approval and implementation, the Business Responsibility and Sustainability Report Policy ("BRSR") Policy (ies) of the Company, undertake periodical assessment of the Company's BR performance, review the draft BRSR Report and recommend the same to the Board for its approval and inclusion in the Annual Report of the Company.

Pursuant to the commitment of the Company towards sustainable business practices and the increasing adaptability of Environment, Social and Governance (ESG) framework by all companies, the terms of reference of the CSR Committee, inter alia, also include the following:

- Recommend to the Board, the Company's overall general strategy with respect to Environment, Social and Governance ("ESG") matters
- Ensure ESG and social considerations in the Company's business operations and build a culture of Sustainable Business;
- Ensure compliance with the Sustainability initiatives by Regulators;
- Monitor and ensure the effective implementation of ESG policies of the Company and recommend changes/ deletions/ additions/ new ESG/ Sustainability policies to the Board for its approval and undertake periodical assessment of the Company's ESG performance;
- Ensure in concurrence with the Risk Management Committee that the ESG risks pertaining to the Company are minimal and effectively managed.

The CSR Policy is hosted on the Company's website and can be accessed at web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies.

The key activities of the Corporate Social Responsibility Committee during FY2025

The Committee reviewed/ recommended and approved the matters during FY2025 as per the Terms of reference, prescribed statutorily and by the Board.

Key Matters reviewed/ recommended to Board / approved by the Committee during FY2025	Frequency
Reviewed the CSR funds spent towards CSR Projects/ activities for FY2025.	P
Recommended BRSR and CSR reports the Company for approval and inclusion in the Annual Report	A
Review of impact assessment reports	P
Recommended CSR Budget and Annual Action Plan of the Company for FY2025	A
Reviewed the Company's Business Responsibility and Sustainability Performance (including ESG)	P
Recommended amendments to Corporate Social Responsibility Policy	E
Noting of financial audits undertaken by the Company voluntarily for material CSR spend	E

A- Annually; E- Event based; P- Periodically

Risk Management Committee ("RMC")

The RMC of the Board is constituted in compliance with Regulation 21 of the Listing Regulations and comprises of only Board Members, led by an Independent Director.

Meetings of RMC

During FY2025, the RMC met four times on 18th April 2024, 22nd July 2024, 21st October 2024 and 27th January 2025. All meetings were well attended.

RMC Constitution

Composition	Statutory Requirement	No. of Members as on 31st March 2025
Total Members	Minimum 3 Directors	4
Independent Directors	Minimum 1	2
Executive Director	-	1
Non-Executive Non-Independent Director	-	1

RMC composition as at 31st March 2025 and attendance at the meetings held during FY2025

RMC Members	Category	Date of Appointment	Date of Cessation	Attendance and Meetings	% Attendance
Mr. C. B. Bhave (Chairperson)	ID	10.02.2015	02.02.2025	4 out of 4	100%
Mr. Milind Sarwate (Chairperson)	ID	09.04.2019	-	4 out of 4	100%
Mr. Ramesh Iyer	ED	02.02.2022	29.04.2024	1 out of 1	100%
Mr. Raul Rebello	ED	24.07.2024	-	2 out of 2	100%
Mr. Amarjyoti Barua	NED	24.07.2024	-	2 out of 2	100%
Mr. Dhananjay Mungale	ID	28.01.2008	23.07.2024	1 out of 2	50%
Mr. Diwakar Gupta	ID	03.02.2023	-	4 out of 4	100%
Ms. Rama Bijapurkar	ID	23.01.2009	23.07.2024	2 out of 2	100%

Note:
- Mr. Milind Sarwate was appointed as Chairperson of RMC w.e.f. 3rd February 2025.
- Basis the request, Mr. Dhananjay Mungale was granted Leave of Absence ("LOA") from attending the Risk Management Committee meeting held on 22nd July 2024

Terms of reference of RMC

Regulation 21 of the Listing Regulations mandates constitution of the Risk Management Committee. Your Company has in place a Risk Management Committee even before Clause 49 of the erstwhile Listing Agreement came into effect. The Risk Management Committee was constituted by the Board at its Meeting held on 28th January 2008 to manage the integrated risk, inform the Board about the progress made in implementing a risk management system and review periodically the Risk Management Policy and strategy followed by the Company.

The CRO along with members of the Senior Management apprises the Risk Management Committee and the Board on the risk assessment, process of identifying and evaluating risks, major risks as well as the movement within the risk grades, the root causes of risks and their impact, key performance indicators, risk management measures and the steps being taken to mitigate these risks.

Separate meetings between the CRO and the RMC

Separate meetings between the CRO and the RMC, without the presence of Management, were enabled to facilitate free and frank discussion amongst them. During FY 2025, four meetings were held on 18th April 2024, 22nd July 2024, 21st October 2024 and 27th January 2025.

The key activities of the Risk Management Committee during FY2025

The Committee reviewed/ recommended and approved the matters during FY2025 as per the Terms of reference, prescribed statutorily and by the Board.

Key Matters reviewed/ recommended/ approved by the Committee during FY2025	Frequency
Reviewed the risks, Risk Management Report, Risk Mitigation measures as prescribed under the Risk Management Policy along with extreme risks, their impact, likelihood and exposure	Q
Reviewed the risk assessment and minimization procedures (methodology, process and system) and adequacy of Risk Management Systems.	P
Reviewed and recommended outcome of ICAAP assessment	P
Recommended amendment to various Product Policies, Policy on Internal Capital Adequacy Assessment Process (ICAAP Policy), Risk Management Policy, Outsourcing Policy, etc.	E

Q-Quarterly; E-Event based; P- Periodically

Committee for Strategic Investments ("CSI")

Terms of reference of CSI

The Committee for Strategic Investments of the Board is constituted with powers to evaluate and scrutinise significant investments/funding including but not limited to business acquisitions, reviewing and monitoring existing investments in Subsidiaries, Joint Venture(s), and other group companies, overseeing and reviewing performance of the subsidiaries and make necessary recommendations to the Board from time to time, including disinvestments.

Meetings of CSI

During FY2025, no meeting of the Committee was held.

CSI composition as at 31st March 2025

CSI Members	Category	Date of Appointment	Date of Cessation
Mr. Dhananjay Mungale (Chairperson)	ID	20.03.2015	23.07.2024
Mr. Milind Sarwate (Chairperson)	ID	09.04.2019	-
Dr. Anish Shah	NED	23.03.2017	-
Mr. Ramesh Iyer	ED	09.04.2019	29.04.2024
Mr. Raul Rebello	ED	24.07.2024	-
Mr. Ashwani Ghai	NED	24.07.2024	-

Note:
- Mr. Milind Sarwate was appointed as Chairperson of CSI w.e.f. 24th July 2024.

Asset Liability Committee ("ALCO")

A Board level Asset Liability Committee has been constituted from good governance perspective.

Meetings of ALCO

During FY2025, the Committee met four times i.e. on 18th April 2024, 22nd July 2024, 21st October 2024 and 27th January 2025. All Meetings were well attended.

ALCO composition as at 31st March 2025 and attendance at the meetings held during FY2025

ALCO Members	Category	Date of Appointment	Date of Cessation	Attendance and Meetings	% Attendance
Mr. Ramesh Iyer (Chairperson)	ED	25.04.2011	29.04.2024	1 out of 1	100%
Mr. Raul Rebello (Chairperson)	ED	02.02.2022	-	4 out of 4	100%
Mr. Amarjyoti Barua	NED	24.07.2024	-	1 out of 2	50%
Mr. Dhananjay Mungale	ID	12.09.2001	23.07.2024	2 out of 2	100&
Mr. Diwakar Gupta	ID	03.02.2023	-	4 out of 4	100%
Mr. Milind Sarwate	ID	09.04.2019	-	4 out of 4	100%
Mr. Pradeep Kumar Agrawal	CFO	05.03.2025	-	NA	NA
Mr. Vivek Karve	CFO	02.02.2022	31.10.2024	3 out of 3	100%

Notes:
- Mr. Raul Rebello holds 355 (0.00%) shares in the Company as on 31st March 2025.
- Mr. Raul Rebello was appointed as a chairperson of ALCO w.e.f. 30th April 2024.
- Basis the request, Mr. Amarjyoti Barua was granted Leave of Absence ("LOA") from Asset Liability Committee meeting held on 27th January 2025

Terms of reference of ALCO

The Asset Liability Committee was constituted by the Board in 2001. It reviews the working of the Asset Liability Management Committee, its findings and reports in accordance with the guidelines of the Reserve Bank of India (RBI). The Asset Liability Committee reviews risk management policies related to liquidity, interest rates and investment policies. The Committee inter alia, oversees the Company's short, medium and long-term funding and liquidity management requirements. It also reviews the liquidity position based on future cash flows.

The key activities of the Asset Liability Committee during FY2025

The Committee reviewed/ recommended and approved the matters during FY2025 as per the Terms of reference, prescribed statutorily and by the Board.

Key Matters reviewed/ recommended/ approved by the Committee during FY2025	Frequency
Reviewed the report of the Asset Liability Management Committee (comprising cash management, liquidity planning, treasury chest policy, stress testing, contingency plan, forex exposure, interest rate risk etc.)	Q
Reviewed the Liquidity Risk Management Policy, Procedure and Framework	P
Noted the report with regards to review of Liquidity Risk Management Framework by an external independent management consulting firm	A
Recommended the amendment to the Liquidity Risk Management Policy and Procedures, Derivative Risk Management Policy, Treasury Chest Policy, Liquidity and Investment Policy, etc.	E

Q- Quarterly; E- Event based; P- Periodically; A - Annually

IT Strategy Committee ("ITSC")

The Board of Directors at its Meeting held on 24th July 2017, had constituted the IT Strategy Committee in compliance with the provisions of Clause 1.1 of Section-A on IT Governance of the Master Direction No. DNBS.PPD. No.04/ 66.15.001/2016-17 dated 8th June 2017 which complies with Clause 6 of Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated 7th November 2023 issued by the Reserve Bank of India, specifying the IT framework to be adopted for the NBFC sector.

Meetings of ITSC

During the FY2025, the Committee met six times i.e. on 19th April 2024, 5th June 2024, 19th July 2024, 24th September 2024, 18th October 2024 and 24th January 2025.

ITSC composition as at 31st March 2025 and attendance at the meetings held during FY2025

ITSC Members	Category	Date of Appointment	Date of Cessation	Attendance and Meetings	% Attendance
Mr. Milind Sarwate (Chairperson)	ID	23.09.2019	-	6 out of 6	100%
Mr. Ramesh Iyer	ED	24.07.2017	29.04.2024	0 out of 1	0%
Mr. Raul Rebello	ED	24.07.2024	-	3 out of 3	100%
Mr. Amarjyoti Barua	NED	27.10.2023	-	5 out of 6	80%
Mr. C. B. Bhave	ID	24.07.2017	02.02.2025	6 out of 6	100%
Dr. Rebecca Nugent	ID	28.10.2021	-	6 out of 6	100%
Mr. Dinesh Gangwani	Chief Information Officer	28.10.2021	05.06.2024	1 out of 2	50%

Notes:

Mr. Rajesh Doshi, Former Director-IT, NSDL, Special Invitee and Mr. Mohit Kapoor, EVP-Group CTO (Mahindra Group) and Head of Technology of MMFSL, CRO, Chief Digital Officer, CDAO, CISO and Head- ITGRC, are permanent Invitees to the Committee. The meetings of the IT Strategy Committee are also attended by the senior persons from IT team.

Basis the request, Mr. Ramesh Iyer, Mr. Dinesh Gangwani and Mr. Amarjyoti Barua were granted Leave of Absence ("LOA") from IT Strategy Committee meeting held on 19th April 2024, 5th June 2024 and 19th July 2024 respectively.

Terms of Reference of ITSC

The scope of the Committee inter alia, includes review and approval of IT strategy and policy documents, cyber security arrangements, IT outsourcing policies, data privacy and controls, disaster recovery and any other matter related to IT governance.

The key activities of the IT Strategy Committee during FY2025

The Committee reviewed/ recommended and approved the matters during FY2025 as per the Terms of reference, prescribed statutorily and by the Board.

Key Matters reviewed by the Committee during FY2025	Frequency
Information technology strategy, projects and initiatives	P
Cyber security posture	P
Data privacy roadmap and controls	P
Cyber security and major information technology incidents	P
Update on Information System audit reports	P
IT Strategy	P
Risk and Compliances pertaining to IT	P
Review of IT outsourcing activities	P
Noting of RBI's phishing simulation exercise report	P
Regulatory updates and approving formation of Information Security Committee and IT Steering Committee	E
Recommended to the Board the amendment to the IT Outsourcing Policy, Cyber Crisis Management Plan, etc.	E

P- Periodically; E-Event based

In compliance with Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices ("MD - IT & GRC") dated 7th November 2023 issued by the Reserve Bank of India, the IT Strategy Committee has approved constitution of 2 management level committees i.e., Information Security Committee and IT Steering Committee with such members and functions as specified in MD - IT & GRC.

Digital and AI Committee ("DAIC"), a voluntary good governance initiative

The Board at its meeting held on 28th October 2021 had constituted the Digital and AI Committee. The Committee was constituted voluntarily, as a good governance initiative.

Meetings of DAIC

During the FY2025, the Committee met four times i.e. on 19th April 2024, 19th July 2024, 18th October 2024 and 24th January 2025. All the Meetings were well attended.

DAIC composition as at 31st March 2025 and attendance at the meetings held during FY2025

DAIC Members	Category	Date of Appointment	Date of Cessation	Attendance and meetings	% Attendance
Dr. Rebecca Nugent (Chairperson)	ID	28.10.2021	-	4 out of 4	100%
Mr. Ramesh Iyer	ED	28.10.2021	29.04.2024	0 out of 1	0%
Mr. Raul Rebello	ED	28.10.2021	-	4 out of 4	100%
Mr. Amarjyoti Barua	NED	27.10.2023	-	2 out of 4	50%
Mr. Milind Sarwate	ID	28.10.2021	-	4 out of 4	100%
Mr. Bhuwan Lodha	CEO - AI Division, M&M	03.02.2025	-	NA	-
Ms. Deepa Ranjeet	Chief Digital Officer	24.07.2024	-	2 out of 2	100%
Mr. Dinesh Gangwani	Chief Information Officer	28.10.2021	05.06.2024	1 out of 1	100%
Mr. Mohit Kapoor	EVP & Group CTO (M&M)	28.10.2021	-	4 out of 4	100%
Mr. Vineet Shukla	VP - Data Sciences	28.10.2021	02.02.2025	4 out of 4	100%

Note: Basis the request, Mr. Ramesh Iyer and Mr. Amarjyoti Barua were granted Leave of Absence ("LOA") from attending Digital and AI Committee meeting held on 19th April 2024 and 24th January 2025 respectively.

Terms of Reference of DAIC

The Committee was constituted to advise the management on digital and AI strategy and roadmap, horizon scanning on AI trends, helping develop start-up and innovation ecosystem, guiding the management on ethical use of AI, preventing misuse of AI and ensuring data privacy for the customers and employees, helping develop roadmap for data assets which can be monetized later, defining high standards for customer centricity CX, defining data and AI governance framework.

The key activities of the DAIC during FY2025

The Committee reviewed/ recommended and approved the matters during FY2025 as per the Terms of reference, prescribed by the Board.

Key Matters reviewed by the Committee during FY2025	Frequency
Defining Data and AI governance	P
AI use cases	P
Horizon Scanning on AI trends	P
Ethical use of AI	P
Defining high standards for customer centricity	P
Roadmap for usage and monetization of Data Assets	P

P- Periodically

Special Committee of the Board for Monitoring and Follow-up of Fraud cases ("SCBMF")

The Board at its meeting held on 22nd October 2024 had constituted Special Committee of the Board for Monitoring and Follow-up of Fraud cases ("SCBMF"). The Committee was constituted pursuant to RBI's Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) dated July 15, 2024.

Meetings of SCBMF

During the FY2025, the Committee met on 24th January 2025. The meeting was attended by all the members.

SCBMF composition as at 31st March 2025 and attendance at the meetings held during FY2025

SCBMF Members	Category	Date of Appointment	Date of Cessation	Attendance and meetings	% Attendance
Mr. Diwakar Gupta (Chairperson)	ID				
Mr. Raul Rebello	ED	22.10.2024	NA	1 out of 1	100%
Mr. Milind Sarwate	ID				

Terms of Reference of SCMBF

The terms of reference of the SCBMF are as per the Master Direction DOS.CO.FMG.SEC.No.7/23.04.001/2024-25 dated July 15, 2024 on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) issued by Reserve Bank of India The SCBMF was constituted to oversee the effectiveness of the fraud risk management and review/monitor cases of frauds, including root cause analysis and suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds.

The key activities of the SCMBF during FY2025

The Committee reviewed/ recommended and approved the matters during FY2025 as per the Terms of reference, prescribed by the Board.

Key Matters reviewed by the Committee during FY2025	Frequency
Report on Cases of Irregularities	Q/P
Trend Analysis - Quarter on Quarter	Q/P
Material frauds (Above ₹ 10 lakhs)	Q/P

Q - Quarterly; P- Periodically

Review Committee for Classification of Wilful Defaulters ("RCCWD")

The Board at its meeting held on 24th March 2025 had constituted Review Committee for Classification of Wilful Defaulters ("RCCWD"). The Committee was constituted pursuant to RBI's Master Directions on Treatment of Wilful Defaulters and Large Defaulters dated 30th July 2024.

Meetings of RCCWD

No meetings were held in FY2025 as the Committee was constituted on 24th March 2025.

RCCWD composition as at 31st March 2025

RCCWD Members	Category	Date of Appointment
Mr. Raul Rebello (Chairperson)	ED	
Mr. Amarjyoti Barua	NED	24.03.2025
Mr. Ashwani Ghai	NED	

Terms of Reference of RCCWD

The RCCWD was constituted to review proposal(s) submitted by the Identification Committee together with written representation and assess the facts or material on record, including assessment through personal hearings and pass a reasoned order which shall be communicated to the wilful defaulter.

PARTICULARS OF SENIOR MANAGEMENT

The details of Senior Management Personnel ("SMP") as defined under Regulation 16(d) of the Listing Regulations, including changes therein since the close of previous Financial Year is given hereunder:

Details of Senior Management as on 31st March 2025

Sr No	Name of SMP	Designation
1.	Mr. Pradeep Kumar Agrawal	Chief Financial Officer
2.	Ms. Deepa Ranjeet	Chief Digital Officer
3.	Ms. Farida Desai	Chief Legal Officer
4.	Mr. Manish Sinha	Chief Human Resource Officer
5.	Mr. Sandeep Mandrekar	Chief Business Officer - Core Wheels
6.	Mr. Mahesh Rajaraman	Chief Risk Officer
7.	Ms. Brijbala Batwal	Company Secretary
8.	Mr. Gaurav Verma	Head Underwriting and Product Policy
9.	Mr. Bijoy Thaplial	Chief Business Officer - Leasing, Partnerships and Payments
10.	Mr. Mod Narayan Singh	Chief Compliance Officer
11.	Ms. Usha Sunder	Head of Internal Audit
12.	Ms. Anu Raj	Head- Marketing and Corporate Communication

Changes in Senior Management Personnel during FY2025

Sr No	Name of SMP	Designation	Reason for change	Effective date of Appointment/Cessation
1.	Mr. Dinesh Gangwani	Chief Information Officer	Role Subsumption to Head IT	05-06-2024
2.	Mr. Mahesh Rajaraman	Chief Risk Officer	Appointment	01-08-2024
3.	Mr. Bijoy Thaplial	Chief Business Officer - Leasing, Partnerships and Payments	Appointment	01-08-2024
4.	Mr. Mod Narayan Singh	Chief Compliance Officer	Appointment	19-08-2024
5.	Mr. Jaspreet Singh Chadha	Chief Business Officer - Mortgages	Appointment	30-09-2024
6.	Ms. Usha Sunder	Head of Internal Audit	Appointment	13-09-2024
7.	Mr. Vivek Karve	Chief Financial Officer	Resignation	31-10-2024
8.	Ms. Mallika Mittal	Chief Risk Officer	Resignation	16-11-2024

Sr No	Name of SMP	Designation	Reason for change	Effective date of Appointment/Cessation
9.	Mr. Devendra Sharnagat	Chief Data Analytics Officer	Ceased as SMP and moved to M&M	10-12-2024
10.	Mr. Animesh Chatterjee*	Chief Financial Officer - Interim	Appointment	29-01-2025 to 04-03-2025
11.	Mr. Jaspreet Singh Chadha	Chief Business Officer - Mortagages	Ceased as SMP and moved to MRHFL , subsidiary of the Company	01-02-2025
12.	Ms. Anu Raj	Head- Marketing and Corporate Communication (Head- MCC)	Appointment	03-03-2025
13.	Mr. Mohan Nair	Function Head of Corporate Communication & PR	Cessation as SMP, due to appointment of Head-MCC. Continues in his role.	02-03-2025
14.	Mr. Pradeep Kumar Agrawal	Chief Financial Officer	Appointment	05-03-2025

*Mr. Animesh Chatterjee ceased as SMP on 4th March 2025 and continue to Head Treasury function of the Company.

SUBSIDIARY COMPANIES

As per the criteria specified in Regulation 16 of the Listing Regulations, there is no material subsidiary of the Company for FY2025.

The Company has complied with the provisions of Regulation 24 of the Listing Regulations with regards to Corporate Governance requirements for subsidiary companies.

Disclosures and Policies

Policy for determining Material Subsidiaries

Your Company has formulated a Policy for determining 'Material' Subsidiaries as defined in Regulation 16 of the Listing Regulations. The Policy has been hosted on the website of the Company and can be accessed through the web-link: https://www.mahindrafinance.com//investors/disclosures-reg-46-62/corporate-governance#MMFSL-policies.

During the year under review, the policy was amended on 28th January 2025.

Disclosure of Transactions with Related Parties

All transactions entered into with Related Parties as defined under the Act and Listing Regulations during the financial year were in the ordinary course of business and at an arm's length basis. The details of the transactions entered with related parties are placed before the Audit Committee for their review on quarterly basis.

During FY2025, there were no materially significant transactions or arrangements entered into between the Company and its Promoters, Directors or their Relatives or the Management, Subsidiaries, etc., that may have potential conflict with the interests of the Company at large. Further, details of related party transactions are presented in note no. 51 to Standalone Financial Statements of the Company for the year ended 31st March 2025 forming part of the Annual Report.

In addition to the above, as per the Listing Regulations, your Company has also submitted disclosures of Related Party Transactions to the Stock Exchanges in the prescribed format and also published it on the website of the Company.

Policy on Materiality of and Dealing with Related Party Transactions

The Company has formulated a policy on materiality of and dealing with Related Party Transactions ("RPTs") pursuant to the provisions of the Act and Regulation 23 of the Listing Regulations, which guides on RPTs including the approval matrix to be followed, materiality threshold, and the manner of entering into Related Party Transactions.

During the year under review, the policy was amended on 24th March 2025. to inter-alia align the same with the recent regulatory provisions, has been hosted on the website of the Company in accordance with the provisions of the Listing Regulations and RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended and can be accessed at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies.

Particulars of loans/ advances etc. pursuant to para A of Schedule V of Listing Regulations

The Company has not made any loans and advances in the nature of loans to Firms/ Companies in which Directors are interested nor made any loans and advances in the nature of loans to its subsidiaries and associates during FY2025. Disclosure on the same is given in note no. 51(IV) of the Standalone Financial Statements of the Company for the year ended 31st March 2025. The Company has not availed any loans from M&M, its Holding Company and Promoter, during FY2025.

Disclosure on transactions with M&M as applicable, are given in note no. 51(ii) of the Standalone Financial Statements of the Company for the year ended 31st March 2025.

Disclosure of Accounting Treatment in Preparation of Financial Statements

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Act, and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019- 20/170 DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 as amended. Any application guidance/ clarifications/ directions/ expectations issued by RBI or other regulators are implemented as and when they are issued/applicable.

Accounting policies have been consistently applied, for the preparation of Financial Statements, except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

With respect to the annual audited financial statements for the year ended 31st March 2025, the Company is in compliance with the requirements of the applicable Accounting Standards.

Compliance Testing

In compliance with RBI circular dated April 11, 2022, the Company has a well-documented compliance testing program. The Compliance Risk Assessment Framework and Compliance Testing (CRAFT) has been approved by the Board. In terms of the CRAFT, the compliance assessment calendar is created in the beginning of the financial year to finalize the plan and frequency of testing during the year. Accordingly, the Company carries out the testing process on an ongoing basis and results of the compliance testing is placed before the Audit Committee at regular intervals.

Compliance Policy

In compliance with the RBI Circular dated 11th April 2022, the Company has put in place the Compliance Policy duly approved by the Board. Further, the Company has strengthened its Compliance team and processes to ensure effective tracking and monitoring of regulatory compliances.

Compliance with the provisions of the Act and Secretarial Standards

During the financial year ended 31st March 2025, the Company has complied with the requirements of the Companies Ac 2013, including Secretarial Standards i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, issued by Institute of Company Secretaries of India.

Internal Ombudsman

A Report of number of complaints escalated to Internal Ombudsman and status of disposal of such complaints during the period under review was placed before the Board for its review in compliance with the aforesaid RBI circular.

Code for Prevention of Insider Trading Practices

The Company has, in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("the PIT Regulations") formulated and adopted:

- **The 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information'** to ensure prompt, timely and adequate disclosure of Unpublished Price Sensitive Information ("UPSI"). The Fair Disclosure Code *inter alia*, includes the Policy for Determination of "Legitimate Purpose".

- **The 'Code of Conduct for Prevention of Insider Trading in Securities of Mahindra & Mahindra Financial Services Limited' ("Code")** was formulated to regulate, monitor and ensure reporting of Trading by Designated Persons and their immediate relatives designated on the basis of their functional role in the Company towards achieving compliance with the Regulations and is designed to maintain the highest ethical standards of trading in Securities of the Company by persons to whom it is applicable. The provisions of the Code are designed to prohibit identified Designated Persons from trading in the Company's Securities when in possession of UPSI. The Code lays down guidelines for procedures to be followed and disclosures to be made while dealing with Securities of the Company and cautions them of the consequences of violations.

- **Policy and procedure for inquiry in case of leak / suspected leak of Unpublished Price Sensitive Information:** The Company has formulated the 'Policy and Procedure for inquiry in case of leak/suspected leak of Unpublished Price Sensitive Information'. The objective of this Policy is to inter alia, strengthen the internal control systems to prevent leak of UPSI, restrict/prohibit communication of UPSI with unauthorised person(s) and curb the unethical practices of sharing sensitive information by persons having access to UPSI. The Policy also provides an investigation procedure in case of leak/suspected leak of UPSI. The said policy has been merged in into "Code of for prevention of insider trading in securities of Mahindra & Mahindra Financial Services Limited ("MMFSL")" to ensure effective monitoring, control and compliances.

Compliance Officer under SEBI Insider Trading Regulations

Mr. Pradeep Kumar Agrawal, CFO of the Company, acts as the Compliance Officer under the 'Code of Conduct for Prevention of Insider Trading in Securities of Mahindra & Mahindra Financial Services Limited.

Insider Trading e-Compliance Module

With a view to automate and facilitate the compliances under the PIT Regulations and the Company's Code, the Company has in place an 'Insider Trading e-Compliance Module, a digital platform ("Portal") for ensuring compliances including provision for reporting of trades, seeking pre-clearances and entering data on sharing of UPSI. Frequent reminders are sent informing about window closures through the Portal.

All designated persons of the Company have submitted their annual disclosures as on 31st March 2025 and affirmed compliance with the Company's Insider Trading Code and the PIT Regulations in the above Portal. Further, initial disclosures in Form A to be submitted on becoming a designated person of the Company are also received through the online portal.

Silent period

As a good governance practice, the Company voluntarily observes a 'Silent / Quiet period' starting from 1st day of the start of the month, after the end of the quarter, till the time of announcement of financial results. During this period, no interactions with investors/ analysts/ funds are held to discuss unpublished financial performance to ensure protection of Company's UPSI.

Structured Digital Database for UPSI

The Company has in place a structured digital database ("SDD") wherein details of persons with whom UPSI is shared on need-to-know basis and for legitimate business purposes is maintained with time stamping and audit trails to ensure non-tampering of the database.

The SDD is maintained internally by the Company and is not outsourced in accordance with the provisions of the PIT Regulations.

The Secretarial Auditor has confirmed the compliance by the Company with the SDD in their ASCR.

Awareness initiatives on Prevention of Insider Trading

- The Company has an internal awareness programme branded as- JAGRUT (enlightened) INSIDERS for creating awareness amongst the Designated Persons ("DPs") on the applicability, reporting and other compliances to be adhered to, closure of Trading window, protection of UPSI, maintenance of Structured Digital Database, do's and don'ts, etc. under the Company's Insider Trading Code, UPSI Leakage Policy and the PIT Regulations.
- The Company also has a dedicated e-mail ID that can be reached by the DPs for FAQs, queries and clarifications on the said Code, Policies and Regulations. There exists a process to include/ exclude DPs under the Code. Guidance is given to designated persons on requisite compliances.
- During the year, he Company had conducted awareness sessions with DPs, briefing them on the regulatory provisions pertaining to Insider Trading and Company's Code of conduct on the same.
- E-learning module launched for Designated Persons on Insider trading compliances with self-assessment test followed by score at the end, and issuance of certificate of passing.
- In addition to this, the Company has taken following initiatives in FY 2025, to create awareness amongst the DPs, with regards to the provisions of the Insider Trading Regulations:
    - **Wallpaper images about window closure** were displayed on the desktop of all DPs for a period of at least five days during window closure.
    - Displayed window closure notices, messages on making SDD entry, safeguarding UPSI etc. on **LED screen at head and corporate offices.**

  These initiatives help reduce the instances of violations under the said regulations. During the year under review, only 1 inadvert violation, by a Designated Person, was observed and reported to the Audit Committee and SEBI.

Review of the Insider Trading compliances

A detailed report comprising details of trading plans submitted, if any, pre-clearances given by compliance officer, trades carried out and reported to the stock exchanges, trading window closure period, details of violations, if any observed, confirmation on maintenance of Structured Digital Database, etc. as recommended in guidance note issued by The Institute of Company Secretaries of India on the PIT Regulations is submitted to the Audit Committee and the Board of the Company for its review on a quarterly basis.

Violations, if any, are reported to the Audit Committee. The Audit Committee on an annual basis also reviews and confirms that the systems for internal control for Insider Trading are adequate and are operating effectively in compliance with the PIT Regulations.

Whistle Blower Policy/ Vigil Mechanism

The Company promotes ethical behaviour in all its business activities and has established a vigil mechanism for its Directors, Employees and Stakeholders associated with the Company to report their genuine concerns. The Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed thereunder and the Listing Regulations is implemented through the Whistle Blower Policy, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

As per the Whistle Blower Policy implemented by the Company, the Employees, Directors or any Stakeholders associated with the Company are free to report illegal or unethical behaviour, actual or suspected fraud, or violation of the Company's Code(s) of Conduct or Corporate Governance Policies or any improper activity, through the channels provided below.

The Whistle Blower Policy provides for protected disclosure and protection to the Whistle Blower. Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected, and they are not subject to any discriminatory practices. The Whistleblower can make a Protected Disclosure by using any of the following channels for reporting:

1. **Independent third party Ethics Helpline Service Portal:** https://ethics.mahindra.com
2. **Toll free No**: 000 800 100 4175
3. **Chairperson of the Audit Committee**

The Whistle Blower Policy has been widely disseminated within the Company. The Policy is available on the website of your Company at the web-link https://www.mahindrafinance.com//investors/disclosures-reg-46-62/corporate-governance#MMFSL-policies.

The Audit Committee is apprised on the vigil mechanism on a periodic basis. During the year, no person was denied access to the Chairperson of the Audit Committee. A quarterly report on the whistle blower complaints is placed before the Audit Committee for its review.

Non-compliances, Penalties and Strictures

No penalties/strictures have been imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India or any other statutory authority on any matter relating to capital markets, during the last three years except stated below.

BSE had levied a fine of ₹ 1.65 lacs under Regulation 60(2) of the Listing Regulations, with respect to delay in submission by 1 (one day) of the intimation of record date for few ISINs during the month of March 2022, which was paid on 13th January 2023.

BSE had levied a fine of ₹ 23,600 (including GST) under Regulation 60(2) of the Listing Regulations, with respect to delay in submission by 1 (one day) of the intimation of record date for two ISINs during the month of November 2024. The Company has requested for waive-off, and the matter is under consideration with BSE.

Please refer to Company's website at https://www.mahindrafinance.com/investor-relations/regulatory-filings to access the disclosures made to the Stock Exchanges under Regulation 30 for penalties levied by tax authorities in connection with assessment matters and levied by other authorities. The Company has filed appeals, where necessary and expects favourable outcome at the appellate level. The Company does not reasonably expect the said Orders to have any material financial impact on the operations of the Company. Details of penalties levied by other regulators can also be accessed on the websites of the stock exchanges in the integrated corporate governance report for the quarter ended 31st December 2024 and 31st March 2025.

Launch of mandatory annual training Modules to enhance awareness and sensitization amongst employees during FY 2025

As per annual practise, the Company had launched annual training modules on various topics including on several important areas such as Prevention of sexual harassment, Prevention of Insider Trading, AML- KYC, Anti bribery anti-corruption , Business responsibility and sustainability reporting, Code of conduct of Company, Fair Practice Code, Operational Risk Management, Cyber security relating to IT and non-IT matters, Business continuity planning to enhance awareness and sensitization amongst the employees during the year under review.

Introduction of one stop platform to access the Company's employee-centric guidelines and policies

During the year under review, the Company introduced a one stop platform for employees to access the Company's employee-centric guidelines and policies which includes a section consisting of the old version of policies for reference.

MEANS OF COMMUNICATION

- The Company, from time to time and as may be required, interacts with its shareholders, debenture holders and fixed deposit holders through multiple channels of communication such as announcement of financial results, postal ballot results, annual report, media releases, dissemination of information on the website of the Company and Stock Exchanges, newspaper notices, reminders for unclaimed shares, unpaid dividend/unpaid interest or redemption amount on debentures, unclaimed Fixed Deposits and/or interest due thereon and subject specific communications. The details of unpaid/unclaimed Dividend/Fixed Deposits and interest thereon are also uploaded on the website at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#dividend-history.

- Other subject specific communication sent to the Shareholders/Debenture holders during the year:
  - **Mandatory KYC:** The Company has sent requisite correspondence/reminders to the shareholders and debenture holders holding securities in physical form, to provide the KYC documents/details as required under SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7th May 2024.
  - **Registration of email addresses for the purpose of receiving Annual Report and e-voting at the AGM:**
    The Company made special arrangements with the assistance of its Registrar & Transfer Agent during AGM of 2024 for registration of e-mail addresses of those Members whose email ids were not registered to enable them to receive the Notice of AGM along with the Annual Report including e-voting credentials electronically.

- **The Company publishes its quarterly, half-yearly and annual results** in Business Standard (all India editions) and Sakal/ Navshakti (Mumbai edition) which are national and local dailies, respectively. These are not sent individually to the Shareholders.

- The Annual Report of the Company, the quarterly, half-yearly and the annual financial results and official news releases are **displayed on the Company's website at** Mahindra Finance - Investor Zone

- The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part 'A' and Part 'B' of Schedule III of the Listing Regulations including material information having a bearing on the performance/operations of the Company and other price sensitive information. The Company also files various compliances and other disclosures required to be filed electronically on the online portal of BSE Limited and National Stock Exchange of India Limited respectively, viz. BSE Corporate Compliance and Listing Centre (Listing Centre) and NSE Electronic Application Processing System (NEAPS)/NSE Digital Exchange Portal.

- The Company conducts annual and quarterly Earnings Call to engage with investors and analysts. Presentation to Investors and other disclosures which are required to be disseminated on the Company's website under the Listing Regulations have been uploaded on the website of the Company https://www.mahindrafinance.com/investor-relations/financial-information#schedule-of-analysts-investor-meets and as per the Archival Policy of the Company would be hosted on the website for a minimum period of five years from the date of respective disclosures.

- The Company has designated company.secretary@mahindrafinance.com as an e-mail ID for the purpose of registering complaints/ queries/requests by investors and displayed the same on the Company's website. The Company has also designated fixeddeposit.mahindrafinance@mahindrfinance.com as an exclusive email ID for Fixed Deposit Investors for the purpose of registering queries/complaints/requests in respect of Fixed Deposits of the Company and the same has also been displayed on the Company's website.

- The Company's website is a comprehensive reference on the organisation's management, vision, mission, policies, Corporate Governance, corporate social responsibility, sustainability, investors, corporate benefits, products and services, updates and news.

- The Investor Zone section of the Company's website provides various downloadable forms such as Nomination Form, Form for updation/ registering of KYC, Declaration for opting out of nomination and Deletion of Name, etc., required to be executed by the shareholders have also been provided on the website of the Company. The said forms can be accessed on the Company's website at the web-link: Policy And Shareholder Information | Mahindra Finance)

- Members can also provide their feedback on the services provided by the Company and its Registrar & Transfer Agents by filling the **'Shareholders Satisfaction Survey'** form available on the website of the Company at https://www.mahindrafinance.com/investor-relations/shareholder-satisfaction-survey.

- **KPRISM – Web-based application by KFin:**
  Members are requested to note that KFin has a web-application – KPRISM (website: https://kprism.kfintech.com) providing online service to Members. Members can register themselves for availing host of services viz., view of consolidated portfolio serviced by KFin, dividend status, requests for change of address, change/ update bank mandate. Through the application, Members can download annual reports, standard forms and keep track of upcoming General Meetings and dividend disbursements.

Investor Engagement

Details of last three Annual General Meetings and Special Resolutions passed:

For the Financial Year	Date of AGM (held through VC/ OAVM) *	Time	Special Resolutions passed
2021-2022	28th July 2022	3.30 p.m. (IST)	No special resolutions were passed
2022-23	28th July 2023	3.30 p.m. (IST)	1. Appointment of Mr. Raul Rebello as Whole-time Director designated as "Executive Director and MD & CEO - Designate" from 1st May 2023 to 29th April 2024 and as the Managing Director of the Company designated as "Managing Director & CEO" from 30th April 2024 to 30th April 2028. 2. Re-appointment of Mr. Milind Sarwate as an Independent Director of the Company for a second term of 5 (five) consecutive years commencing from 1st April 2024 to 31st March 2029 (both days inclusive). 3. Approval for introduction and implementation of Mahindra and Mahindra Financial Services Limited - Restricted Stock Units Plan 2023. 4. Approval for provision of money by the Company to Mahindra & Mahindra Financial Services Limited Employees' Stock Option Trust under the 'Mahindra and Mahindra Financial Services Limited - Restricted Stock Units Plan 2023' ("MMFSL RSU Plan 2023") to fund the subscription of equity shares in terms of MMFSL RSU Plan 2023. 5. Alteration to the Memorandum of Association of the Company. 6. Increase in the borrowing limits of the Company to ₹ 1,10,000 crore under section 180(1)(c) of the Companies Act, 2013. 7. Increase in limits for creation of security in connection with borrowing(s).
2023-24	23rd July 2024	3.30 p.m. (IST)	1. Appointment of Mr. Vijay Kumar Sharma as an Independent Director of the Company for a 1st term of 5 consecutive years with effect 15th May 2024. 2. Increase in the borrowing limits of the Company to ₹ 1,30,000 crore under section 180(1)(c) of the Companies Act, 2013.

All the Resolutions moved at the last 3 AGMs were passed by the requisite majority of Members.
*Deemed Venue- Gateway Building, Apollo Bunder, Mumbai - 400 001

Details of Extraordinary General Meetings held during the Financial Year

No Extraordinary General Meeting was held during the Financial Year under review.

POSTAL BALLOT

During FY2025, no Postal Ballot was conducted.

MANAGEMENT

Management Discussion and Analysis

The Annual Report has a detailed section on Management Discussion and Analysis.

Compliance with Corporate Governance norms

The Company has complied with the requirements of Corporate Governance Report as specified in regulations 16 to 27, clauses (b) to (i) and (t) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable during the year ended 31st March 2025.

Compliance with Mandatory Requirements

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

Compliance status of mandatory Corporate Governance requirements as on 31st March 2025 with weblink for policies is given hereunder:

Regulation No.	Corporate Governance Requirement	Compliance Status
16(1)(b) & 25(6)	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	Yes
17(1), 17(1A) & 17(1C), 17(1D) & 17(1E)	Board composition	Yes
17(2)	Meeting of Board of directors	Yes
17(2A)	Quorum of Board meeting	Yes
17(3)	Review of Compliance Reports	Yes
17(4)	Plans for orderly succession for appointments	Yes
17(5)	Code of Conduct	Yes
17(6)	Fees/compensation	Yes
17(7)	Minimum Information	Yes
17(8)	Compliance Certificate	Yes
17(9)	Risk Assessment & Management	Yes
17(10)	Performance Evaluation of Independent Directors	Yes
17(11)	Recommendation of Board	Yes
17A	Maximum number of Directorships	Yes
18(1)	Composition of Audit Committee	Yes
18(2)	Meeting of Audit Committee	Yes
18(3)	Role of Audit Committee and information to be reviewed by the audit committee	Yes
19(1) & (2)	Composition of nomination & remuneration committee	Yes
19(2A)	Quorum of Nomination and Remuneration Committee meeting	Yes
19(3A)	Meeting of Nomination and Remuneration Committee	Yes
19(4)	Role of Nomination and Remuneration Committee	Yes
20(1), 20(2) & 20(2A)	Composition of Stakeholder Relationship Committee	Yes
20(3A)	Meeting of Stakeholders Relationship Committee	Yes
20(4)	Role of Stakeholders Relationship Committee	Yes
21(1),(2),(3),(4)	Composition and role of risk management committee	Yes
21(3A)	Meeting of Risk Management Committee	Yes
21(3B)	Quorum of Risk Management Committee meeting	Yes
21(3C)	Gap between the meetings of the Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23(1), (1A), (5), (6), & (8)	Policy for related party Transaction	Yes
23(2), (3)	Prior or Omnibus approval of Audit Committee for all related party transactions	Yes
23(4)	Approval for material related party transactions	Yes
23(9)	Disclosure of related party transactions on consolidated basis	Yes
24(1)	Composition of Board of Directors of unlisted material Subsidiary	NA
24(2),(3),(4),(5) & (6)	Other Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25(1)	Alternate Director to Independent Director	Yes
25(2)	Maximum Tenure	Yes
25(2A)	Appointment, Re-appointment or removal of an Independent Director through special resolution or the alternate mechanism	Yes
25(3) & (4)	Meeting of independent directors	Yes
25(7)	Familiarization of independent directors	Yes
25(8) & (9)	Declaration from Independent Director	Yes
25(10)	Directors and Officers insurance	Yes
25(11)	Confirmation with respect to appointment of Independent Directors who resigned from the listed entity	Yes
26(1)	Memberships in Committees	Yes
26(3)	Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	Yes
26(2) & 26(5)	Policy with respect to Obligations of directors and senior management	Yes
26(6)	Approval of the Board and shareholders for compensation or profit sharing in connection with dealings in the securities of the listed entity	NA
26A(1) & 26A(2)	Vacancies in respect Key Managerial Personnel	Yes

Regulation No.	Details on Company's Website	Compliance status	Weblink on Company's Website
46(2)(a)	Details of business	Yes	https://www.mahindrafinance.com/about-us
46(2)(aa)	Memorandum of Association and Articles of Association	Yes	https://www.mahindrafinance.com/wp-content/uploads/2024/12/Certified-MOA-AOA.pdf
46(2)(ab)	Brief Profile of Directors	Yes	https://www.mahindrafinance.com/about-us/management
46(2)(b)	Terms and conditions of appointment of independent directors	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
46(2)(c)	Composition of various committees of board of directors	Yes	https://www.mahindrafinance.com/about-us/management#committees-of-directors
46(2)(d)	Code of conduct of board of directors and senior management personnel	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
46(2)(e)	Details of establishment of vigil mechanism/ Whistle Blower policy	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
46(2)(f)	Criteria of making payments to non-executive directors	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
46(2)(g)	Policy on dealing with related party transactions	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
46(2)(h)	Policy for determining 'material' subsidiaries	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
46(2)(i)	Details of familiarization programmes imparted to independent directors	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#familiarization-program
46(2)(j)	Email address for grievance redressal and other relevant details	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#contact-information
46(2)(k)	Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#contact-information
46(2)(l)	Financial results	Yes	https://www.mahindrafinance.com/investor-relations/financial-information#outcome-of-board-meeting
46(2)(m)	Shareholding pattern	Yes	https://www.mahindrafinance.com/investor-relations/regulatory-filings#quarterly-filings
46(2)(n)	Details of agreements entered into with the media companies and/or their associates	NA	
46(2)(n)(i)	Schedule of analyst or institutional investor meet	Yes	https://www.mahindrafinance.com/investor-relations/financial-information#schedule-of-analysts-investor-meets
46(2)(n)(ii)	Presentations made by the listed entity to analysts or institutional investors	Yes	https://www.mahindrafinance.com/investor-relations/financial-information#investor-presentation

Regulation No.	Details on Company's Website	Compliance status	Weblink on Company's Website
46(2)(oa)	Audio or video recordings and transcripts of post earnings/quarterly calls	Yes	https://www.mahindrafinance.com/investor-relations/financial-information#audio-of-earnings-call https://www.mahindrafinance.com/investor-relations/financial-information#transcript-of-earnings-call
46(2)(p)	New name and the old name of the listed entity	NA	
46(2)(q)	Advertisements as per regulation 47 (1)	Yes	https://www.mahindrafinance.com/investor-relations/financial-information#newspaper-publications
46(2)(r)	Credit rating or revision in credit rating obtained	Yes	https://www.mahindrafinance.com/investor-relations/debt-information#credit-ratings
46(2)(s)	Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year	Yes	https://www.mahindrafinance.com/investor-relations/financial-information#annual-reports
46(2)(t)	Secretarial Compliance Report	Yes	https://www.mahindrafinance.com/investor-relations/regulatory-filings#secretarial-compliance-report
46(2)(u)	Materiality Policy as per Regulation 30 (4)	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
46(2)(v)	Disclosure of contact details of KMP who are authorized for the purpose of determining materiality as required under regulation 30(5)	Yes	https://www.mahindrafinance.com/wp-content/uploads/2025/03/Regulation30-5-CFOsigned.pdf
46(2)(w)	Disclosures under regulation 30(8)	Yes	https://www.mahindrafinance.com/investor-relations/regulatory-filings
46(2)(x)	Statements of deviation(s) or variations(s) as specified in regulation 32	NA	
46(2)(y)	Dividend Distribution policy as per Regulation 43A(1)	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
46(2)(z)	Annual return as provided under section 92 of the Companies Act, 2013	Yes	https://www.mahindrafinance.com/investor-relations/financial-information#annual-reports
46(2)(za)	Employee Benefit Scheme Document(s)	Yes	https://www.mahindrafinance.com/wp-content/uploads/2025/01/RSU-Scheme-final-signed.pdf https://www.mahindrafinance.com/wp-content/uploads/2025/03/ESOP-scheme-2010-n.pdf

Compliance with discretionary requirements

The Company has also complied with the following discretionary requirements as specified under Regulation 27(1) read with Part E of Schedule II of the Listing Regulations:

Unmodified Audit Opinion

There was no audit qualification in Company's standalone or consolidated financial statements for FY2025. Your Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.

Separate Posts of Chairman and Managing Director

As on the date of this report, the Chairman of the Board is a Non-Executive Non-Independent Director, and his position is separate from that of the Managing Director. They are not related to each other. The Chairman does not maintain any office at the Company's Expense and during FY2025 was not provided with any re-imbursement of expenses incurred in performance of his duties.

Reporting of Internal Audit

The Internal Auditor reports direct to the Audit committee of the Board.

Independent Directors Meeting

Two meetings of the independent directors were held during FY 2025 without the presence of non-independent directors and members of the management. All independent directors were present for both the meetings.

OTHER DISCLOSURES

Disclosure in relation to recommendations made by the Committees of the Board

During the year under review, all the recommendations made by all the Committees of the Board, were accepted by the Board.

Details of utilisation of funds raised through Preferential Allotment or Qualified Institutions Placement

During the year under review, your Company has not raised funds through any Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A) of the Listing Regulations.

Fees paid to the Statutory Auditors and all entities in the network firm/ entities

The details of fees for all the services paid by the Company and its Subsidiaries on a consolidated basis to Statutory Auditors of the Company, and all entities in the network firm/network entity of which the Statutory Auditors are a part, are given below:

₹ in Crore (inclusive of GST)

Particulars	M/s. Deloitte Haskins & Sells LLP*	M/s. Mukund M. Chitale & Co.*#	M/s. M M Nissim & Co LLP	M/s. M P Chitale & Co.	Total fees for FY2025
Statutory Audit	0.10	0.07	0.75	0.75	1.67
Other permissible Services	0.29	0.07	0.09	0.09	0.55
Reimbursement of expenses	0.01	0.01	-	0.06	0.07
Total (Including GST)	0.40	0.15	0.84	0.90	2.29

* Ceased to be auditors from conclusion of 34th AGM held on 23rd July 2024
# Includes ₹ 0.03 crore paid by Mahindra Insurance Brokers Limited, wholly owned subsidiary of the Company

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act")

The Company is an equal opportunity employer and is committed to ensuring that the work environment at all its locations is conducive to fair, safe and harmonious relations between employees. It strongly believes in upholding the dignity of all its employees, irrespective of their gender or seniority. Discrimination and harassment of any type are strictly prohibited.

The Company has in place a comprehensive Policy in accordance with the provisions of POSH Act and Rules made thereunder.

All employees (permanent, contractual, temporary and trainees) are covered under this Policy. The Policy has been widely communicated internally and is placed on the Company's intranet portal. The Company has zero tolerance towards sexual harassment.

The POSH Policy is available on the website of the Company and can be accessed at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies.

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee ("ICC") under the POSH Act to redress complaints received regarding sexual harassment.

To ensure that all the employees are sensitized regarding issues of sexual harassment, the Company creates awareness by imparting necessary trainings.

The following is a summary of Sexual Harassment complaint(s) received and disposed off during FY2025, pursuant to the POSH Act and Rules framed thereunder:

a) Number of complaint(s) of Sexual Harassment received during the year - 3

b) Number of complaint(s) disposed off during the year - 3

c) Number of cases pending as at 31st March 2025 - Nil

Awareness and training on POSH

Continuous awareness in this area has been created vide the POSH campaign reiterating Mahindra's commitment to providing a safe workplace to all its employees. During the year, the Company organised sensitization and awareness programs vide inductions for new joiners, e-learning modules for all employees, trainees, associates including sending emailers, creating standees and posters to sensitize all employees to conduct themselves in a professional manner.

Number of workshops/awareness programme on the subject carried out during the year under review were as under:

- An online e-learning module for employees on Prevention of Sexual Harassment covering the topics on Sexual Harassment, process of filing complaints, dealing with sexual harassment, etc. is developed for training. 99.5% of the employees have completed this training.
- One Training program on ICC was conducted for all ICC members.
- One Training program on POSH sensitization was conducted for the HR team.

GENERAL SHAREHOLDERS INFORMATION

The Company is registered with the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identity Number (CIN) allotted to the Company by the MCA is L65921MH1991PLC059642.

35th Annual General Meeting

Day and Date	:	Tuesday, 22nd July 2025
Time	:	3:30 p.m. (IST)
Mode of AGM	:	Through Audio Video Conference
Deemed Venue of the Meeting	:	Gateway Building, Apollo Bunder, Mumbai - 400 001
Link to participate through video-conferencing	:	https://emeetings.kfintech.com
Remote e-voting starts	:	Thursday, 17th July 2025 (9:00 a.m. IST)
Remote E-voting ends	:	Monday, 21st July 2025 (5:00 p.m. IST)
E-voting at AGM	:	Tuesday, 22nd July 2025

Financial Year of the Company

The financial year covers the period from 1st April to 31st March.

Board Meetings schedule for Financial Reporting

- Quarter ending 30th June, 2025 - End of July 2025
- Half-year ending 30th September, 2025 - End of October 2025
- Quarter ending 31st December, 2025 - End of January 2026
- Year ending 31st March, 2026 - End of April 2026

Note: The above dates are indicative.

Dates of Book Closure

Book Closure for Dividend will be from Wednesday 16th July 2025 to Tuesday 22nd July 2025 (both days inclusive).

Record date for payment of Dividend is 15th July 2025.

Dividend Payment

A dividend of ₹ 6.50 per Equity Share (i.e. 325%) on the face value of ₹ 2 each, would be paid after 22nd July 2025, subject to approval by Shareholders at the ensuing AGM.

Registered Office

Gateway Building, Apollo Bunder, Mumbai - 400 001.

Listing Details

A. Equity Shares

The Company's Shares are listed on:

Name	BSE Limited (BSE)	The National Stock Exchange of India Limited (NSE)
Address	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	Exchange Plaza, Plot No. C/1, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
Stock Exchange Codes	532720	M&MFIN

The requisite listing fees for FY2024 and FY 2025 have been paid in full to both the Stock Exchanges

Demat ISIN in NSDL and CDSL for Equity Shares	:	INE774D01024

B. Non-Convertible Debentures and Commercial Papers

The Non-Convertible Debentures ("NCDs") of the Company comprise secured, unsecured, and subordinated NCDs issued through private placement and public issuances. The NCDs are listed on the Debt Market Segment of BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

The Commercial Papers are listed on the Debt Market Segment of NSE, Exchange Plaza, Plot No. C/1, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.

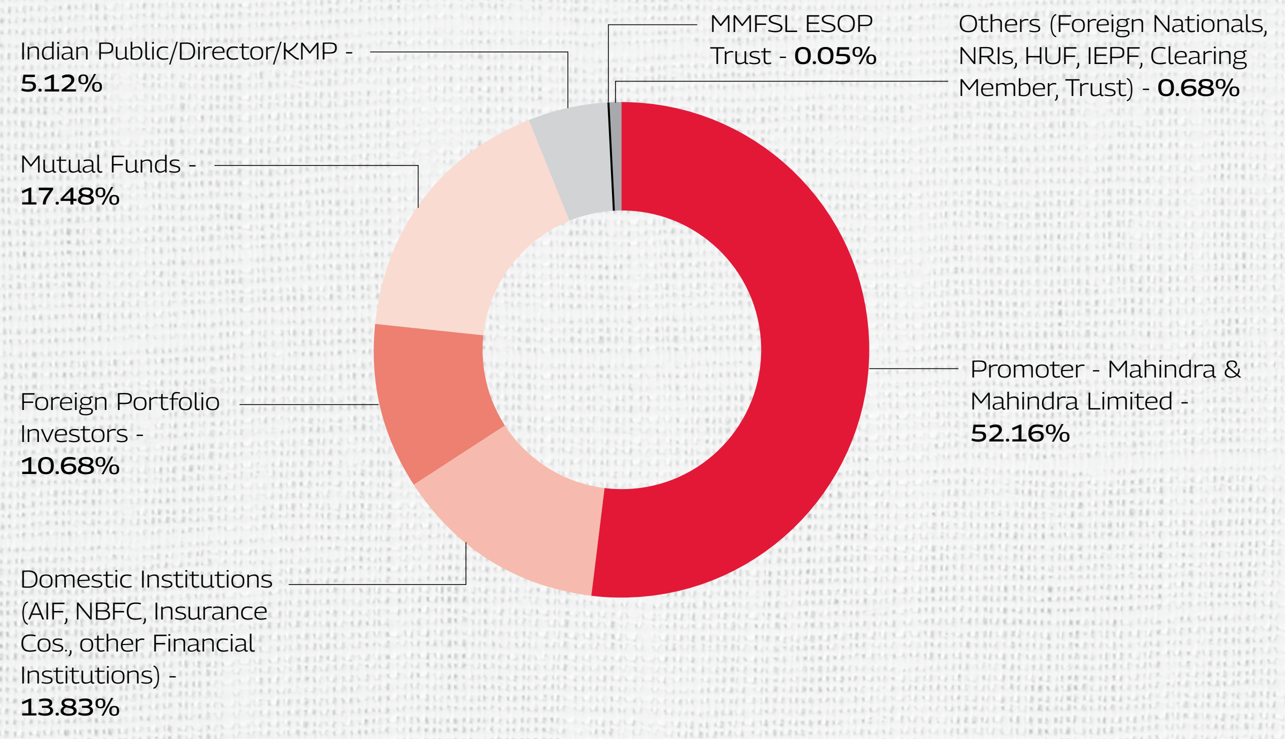
Debenture Trustee

Pursuant to Regulation 53 of the Listing Regulations, the name and contact details of the Debenture Trustee for the privately placed NCDs and public NCDs are given in the table at the end of this report.

These details are also available on the website of the Company at the web-link: https://www.mahindrafinance.com/investor-relations/debt-information#debenture-trustee

Equity Shareholding pattern as on 31st March 2025

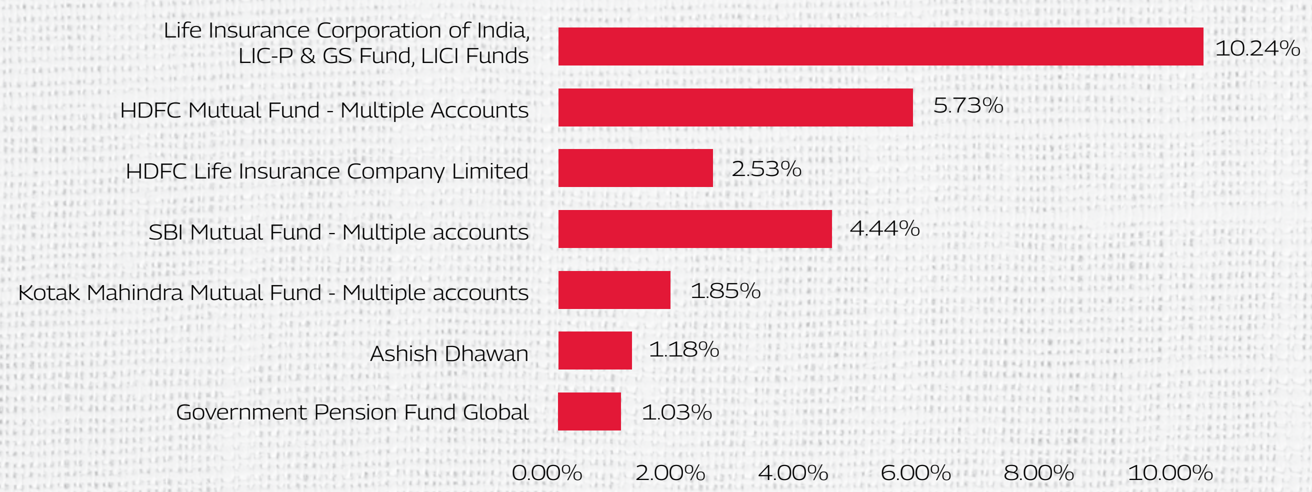
Category wise shareholding pattern as on 31st March 2025



Distribution of Shareholding as on 31st March 2025

No. of Shares held	Number of Shareholders	Total No. of Shares held	% of Shareholding
1-500	204270	1,51,08,207	1.22
501-1000	7085	53,11,272	0.43
1001-5000	5047	1,04,42,010	0.85
5001-10000	564	40,71,592	0.33
10001-20000	228	32,47,542	0.26
20001 and above	426	11,97,349,297	96.91
Total	**2,17,620**	**1,23,55,29,920**	**100.00**

Shareholding more than 1% (other than promoters)



Pledge of Equity Shares

No pledge has been created over the equity shares held by the Promoter of the Company as on 31st March 2025. Pursuant to Regulation 31(4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, M&M, Promoter of the Company has submitted a declaration to the Audit Committee of the Company that they have not made any encumbrance, directly or indirectly, during FY2025 in respect of the shares held by them in the Company. The said declaration was noted by the Audit Committee.

Disclosure of certain types of agreements binding the Company as required to be disclosed under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations

The Company has not received any information on any agreement(s) subsisting as on 15th July 2023 or entered into after 15th July 2023 till 31st March 2025 by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, directly or indirectly or potentially impacting the management or controlling the Company or imposing any restriction or creating any liability upon the Company.

Dematerialisation of Shares and Liquidity

As on 31st March 2025, 99.99 percent of the total equity capital was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The Company's shares are frequently traded on BSE and NSE.

Year	As on 31st March 2025			As on 31st March 2024		
	No. of Shareholders (without PAN grouping)	No. of shares held	%	No. of Shareholders (without PAN grouping)	No. of shares held	%
Dematerialised	221604	1,23,54,33,955	99.99	2,31,883	1,23,54,26,455	99.99
Physical	15	95,965	0.01	18	1,03,465	0.01
Total	**2,21,619**	**1,23,55,29,920**	**100**	**231901**	**1,23,55,29,920**	**100.00**

The Company had during the year taken initiative to reduce the number of physical shareholders, by sending communications through post as well as contacting the shareholders in person, for conversion of their physical holding in dematerialized form.

Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account

In accordance with the provisions of Regulation 39 (4) read with Regulation 34 (3) and Part F of Schedule V of the Listing Regulations, the details in respect of the unclaimed Equity Shares emanating from the Company's IPO and lying in the suspense account are as under:

Particulars	Number of Shareholders	Number of Equity Shares in Demat Suspense Account
No. of outstanding shares as on 1st April 2024	12	2175
Less: Number of shares transferred to IEPF (whose dividend remained unclaimed for more than a period of 7 years)	4	700
No. of outstanding shares in the suspense account lying as on 31st March 2025	8	1475

The voting rights on the unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares.

Unclaimed Equity Shares in Rights Allotment Demat Suspense Account

The details of Unclaimed Equity Shares emanating from Company's Right Issue and lying in the Rights Allotment Demat Suspense Account of the Company is given below:

Year	No. of shareholders	No. of Equity Shares
No. of outstanding shares as on 31st March 2025*	5	157

*During the year, there was no shareholder who approached the Company for transfer of shares from the suspense account.

Unclaimed Dividend and Shares transferred to Investor Education and Protection Fund Authority ("IEPF")

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") dividends which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the company to the Investor Education and Protection Fund ("IEPF").

The IEPF Rules mandate companies to transfer all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more in the name of IEPF. The Members whose dividend/shares are transferred to the IEPF can claim their shares/dividend from the IEPF Authority following the procedure prescribed in the Rules.

In accordance with the said IEPF Rules and its amendments, the Company had sent notices/reminders to all the Shareholders whose shares were due for transfer to the IEPF Authority and simultaneously published newspaper advertisement and, thereafter, transferred the shares to the IEPF during FY2025.

Details of Dividend remitted to IEPF during the year

Financial Year	Date of dividend declaration	Amount transferred to IEPF (₹)	Date of transfer to IEPF
2016-17	24th July 2017	5,34,873.60	7th September 2024

Details of Shares transferred/ credited to IEPF

During FY2025, the Company transferred 16,864 Equity Shares to IEPF Authority corresponding to unclaimed dividend for the year 2016-17. The IEPF Authority holds 105,183 Equity Shares in the Company as on 31st March 2025.

Pursuant to IEPF Rules, the details of Equity Shares transferred to and released from IEPF Authority are given as follows:

Particulars	Number of shares transferred to IEPF
Total number of shares held by IEPF as on 31st March 2019	68,577
Transferred to IEPF during FY2020	1,480
Less: Claimed by the Shareholder(s) during FY2020	2,500
Total number of shares held by IEPF as on 31st March 2020	67,557
Transferred to IEPF during FY2021	1,212
Less: Claimed by the Shareholder(s) during FY2021	0
Total number of shares held by IEPF as on 31st March 2021	68,769
Transferred to IEPF during FY2022	8,613
Less: Claimed by the Shareholder(s) during FY2022	0
Total number of shares held by IEPF as on 31st March 2022	77,382
Transferred to IEPF during FY2023	13,578
Less: Claimed by the Shareholder(s) during FY2023	6,795
Total number of shares held by IEPF as on 31st March 2023	**84,165**
Transferred to IEPF during FY2024	4,579
Less: Claimed by the Shareholder(s) during FY2024	250
Total number of shares held by IEPF as on 31st March 2024	**88,494**
Transferred to IEPF during FY2025	16,864
Less: Claimed by the Shareholder(s) during FY2025	175
Total number of shares held by IEPF as on 31st March 2025	**105,183**

The voting rights on these shares shall remain frozen until the rightful owner claims the shares.

The Company has appointed the Company Secretary as the Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#nodal-officer

Further, the Company has also appointed Deputy Nodal Officer to assist the Nodal Officer to inter alia verify the claim(s) and co-ordinate with the IEPF Authority, the details of which are available on the website of the Company at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#nodal-officer

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st March 2025 on the Company's website at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#details-of-unpaid-dividend

Details of unclaimed dividend on equity shares to be transferred to IEPF

The following table provides dates on which unclaimed dividend and their corresponding shares would become liable to be transferred to the IEPF:

Year	Date of declaration of dividend	Proposed period for transfer of unclaimed dividend to IEPF	Amount of unclaimed dividend (₹) (As on 31st March 2025)
2017-18	27th July, 2018	30th August 2025 to 28th September2025	12,48,480.00
2018-19	23rd July, 2019	23rd August 2026 to 21st September 2026	13,03,393.00
2019-20	No Dividend was declared.		
2020-21	26th July, 2021	26th August 2028 to 24th September 2028	4,89,224.20
2021-22	28th July 2022	28th August 2029 to 26th September 2029	8,10,592.60
2022-23	28th July 2023	28th August 2030 to 26th September 2030	10,16,405.00
2023-24	23rd July 2024	23rd August 2031 to 21st September 2031	17,52,145.70

Endeavours during FY 2025 for reduction in unclaimed amounts

As a measure to reduce the unclaimed dividend amounts, the Company had identified claimants (whose dividends were unclaimed) and who had recently updated their Bank Account details since payment of dividend was attempted to them and transferred the unclaimed dividends to their updated Bank accounts, thereby enabling transfer of ~₹ 1.8 Lacs to eligible shareholders.

Members are requested to claim the unclaimed amounts on matured debentures and interest accrued on such debentures, to be transferred to IEPF

The Company had sent notices/reminders to the Debenture holders/ applicants of Debentures whose principle amount towards debentures/ interest accrued on debentures/ application amount, are due for transfer to the IEPF Authority.

Pursuant to amendment of the Finance Act, 2023, TDS is applicable under Section 193 of the Income-tax Act, 1961 w.e.f. 1st April 2023 on Interest paid on Securities which are listed and in dematerialised form. Hence, Debenture holders are required to provide to the Company the relevant information and declarations, to determine TDS rates applicable to different categories of debenture holders. Debenture holders are requested to submit the necessary documents 15 days prior to the payment becoming due.

Outstanding GDRs/ADRs/ Warrants or any Convertible Instruments, Conversion Date, and likely impact on equity

As on 31st March 2025, the Company did not have any outstanding GDRs/ ADRs/ Warrants. The Company has not issued any Convertible Instruments during the FY2025 and there are no outstanding convertible instruments as on 31st March 2025.

Commodity Price Risk or Foreign Exchange Risk and Hedging activities

Your Company does not deal in any commodity and hence is not directly exposed to any commodity price risk.

Accordingly, the disclosure pursuant to SEBI Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2018/0000000141 dated 15th November 2018 is not required to be furnished by the Company.

As per the Company's Derivative Risk Management Policy, your Company enters into derivative transactions to hedge its exposure to foreign exchange risk on account of foreign currency loans. These transactions are structured in such a way that the Company's foreign currency liability is crystallised at a predetermined rate of exchange on the date of taking the derivative transaction. Your Company has hedged all its foreign currency borrowings for its full tenure and is in compliance with applicable RBI guidelines in this regard. Likewise, the Company also undertakes derivative transactions to hedge interest rate risk related to rupee loans.

Your Company follows the Accounting Policy and Disclosure Norms for derivative transactions as prescribed by the relevant Regulatory Authorities and Accounting Standards from time to time. The accounting policy and required details of foreign exchange exposures as on 31st March 2025 are disclosed in Note Number 49 to the Standalone Financial Statements in the Annual Report.

Credit Rating

The Credit Rating details of the Company as on 31st March 2025 are provided below:

Rating Agency	Type of Instrument	Rating	Remarks
CRISIL Ratings Limited	Fixed Deposit Programme	CRISIL AAA/Stable	The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk
	Commercial Paper Programme and Short-Term Bank Facilities	CRISIL A1+	The 'A1'+ rating indicates a very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
	Long-term Debt instruments, Subordinate Debt Programme and Long Term Bank Facilities	CRISIL AAA/Stable	The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk
India Ratings & Research Private Limited	Commercial Paper Programme and Short-Term Bank Facilities	IND A1+	The 'A1'+ rating is the highest level of rating. Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
	Long Term Debt instruments, Subordinated Debt Programme and Long-Term Bank Facilities	IND AAA/Stable	The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
	PP-MLD	IND PP-MLD AAA /Stable	"PP-MLD" refers to Principal Protected Market Linked Debentures. The rating of MLDs is an ordinal assessment of the underlying credit risk of the instrument and does not factor in the market risk that investors in such instruments will assume. The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
	Fixed Deposits	IND AAA /Stable	The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
CARE Ratings Limited	Long Term Debt instruments and Subordinate Debt Programme	CARE AAA/Stable	The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
Brickwork Ratings India Private Limited	Long Term Subordinated Debt Programme	BWR AAA/Stable	The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk

There have been no revisions in the credit ratings during the year under review

The details of Credit Rating are available on the website at https://www.mahindrafinance.com/investors/disclosures-reg-46-62/investor-information#credit-rating

Locations/Offices

The Company has vast reach through 1365 offices/ branches covering 27 states and 7 territories in India.

In view of the nature of business activities carried on by the Company, the Company operates from various offices in India and does not have any manufacturing plants.

List of branches with addresses is available on the Company's website at the web-link: https://mahindrafinance.com/branch-locator

Share Transfer System

Trading in Equity Shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form.

Pursuant to Regulation 40 of the Listing Regulations with respect to, requests for effecting transmission and transposition of securities held in physical form, the Company will issue a Letter of Confirmation for the said transactions and will give effect to the transaction once the securities are dematerialised. Members holding shares in physical form are requested to get their shares dematerialised at the earliest.

Members are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account and get their shares dematerialised or alternatively, contact the nearest office of KFin to seek guidance about the dematerialisation procedure. The Members may also visit the website of the Depositories viz. (i) National Securities Depository Limited at the web-link: https://nsdl.co.in/faqs/faq.php or (ii) Central Depository Services (India) Limited at the web-link: https://www.cdslindia.com/Investors/FAQs.html for further understanding about the dematerialisation process.

The Stakeholders Relationship Committee meets as and when required to inter alia, consider other requests for transmission of shares/debentures, issue of duplicate share/debenture certificates, and attend to grievances of the security holders of the Company, etc.

Secretarial Audit Report and Reconciliation of Share Capital Audit

As a voluntary good governance practice, M/s. KSR & Co Company Secretaries LLP, had conducted Secretarial Audit on the compliances by the Company, on a quarterly basis and the report has been placed before the Board every quarter.

Further, M/s. KSR & Co Company Secretaries LLP have provided the Secretarial Audit Report of the Company for FY2025. The Audit Report confirms that your Company has complied with the applicable provisions of the Act and the Rules made there under, the Listing Regulations, applicable RBI Regulations, Listing Agreements with the Stock Exchanges, applicable SEBI Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Board's Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark

Pursuant to Regulation 40(9) of the Listing Regulations certificate is being issued on annual basis, by a qualified Company Secretary in Practice, certifying due compliance of share transfer formalities by the Company.

A qualified Practicing Company Secretary carries out a quarterly reconciliation of Share Capital Audit, to reconcile the total admitted Equity Share capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed Equity Share capital. The quarterly audit for FY2025 confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form held with NSDL and CDSL.

Annual Secretarial Compliance Report

Pursuant to SEBI Circular dated 8th February 2019, as amended and merged with SEBI Master Circular dated November 11, 2024, read with regulation 24A of the Listing Regulations and Circulars issued by Stock Exchanges in this regard, the Annual Secretarial Compliance Report for FY2025 issued by M/s. KSR & Co Company Secretaries LLP, confirming compliance with all applicable SEBI Regulations and Circulars/ Guidelines issued thereunder has been filed with the Stock Exchanges.

Further, as required by the Circular dated 10th April 2023 issued by the Stock Exchanges, the Secretarial Auditor has additionally confirmed that **Company is compliant with the following statutory provisions for FY2025 as applicable**:

1. Compliance with the Secretarial Standards
2. Adoption and timely updation of Policies
3. Maintenance and disclosures on Website
4. None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013
5. Examination of details related to Subsidiaries of listed entities
6. Preservation of Documents
7. Performance Evaluation
8. Related Party Transactions
9. Disclosure of events or information
10. Compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015
11. Action taken by SEBI or Stock Exchange(s) if any
12. Resignation of Statutory Auditors from the Company or its material subsidiaries, if any

Address for Correspondence

Equity Shares

Shareholders may correspond with the Registrar and Transfer Agents on all matters relating to transfer, transmission, dematerialisation of shares, payment of dividend, change of address, change in bank details and any other query relating to the Equity Shares of the Company.

Shareholders would have to correspond with the respective Depository Participants for shares held in dematerialised mode.

Non-Convertible Debentures

KFin Technologies Limited also acts as Registrar and Transfer Agents for the Non-Convertible Debentures of the Company. Complaints or queries/ requests relating to Public Issuances of Debentures as well as the Company's Privately Placed Debentures can be forwarded to KFin.

Debenture holders would have to correspond with the respective Depository Participants for Debentures held in dematerialised mode.

Security holders Survey

Investors can provide their feedback on the services provided by the Company and its Registrar and Transfer Agent by filling the Shareholder Satisfaction Survey form available in the Investor Relations Tab on the website of the Company at the web link: https://www.mahindrafinance.com/survey-form/survey-form

Investor Grievance Redressal Policy

The Company from a good governance perspective has adopted an Investor Grievance Redressal Policy. The policy has an escalation matrix along with contact details of concerned team members through which the investor(s) will be able to contact the concerned person from the Company/RTA directly for any query or grievance pertaining to equity shares/debentures if the same is not resolved within specified timelines. Investor(s) can access the policy available on the website of the Company at https://www.mahindrafinance.com/investorrelations/policy-and-shareholder-information#mmfslpolicies.

Contact details at a glance

Company's Address for Correspondence Mahindra Towers, 'A Wing', 3rd Floor, P. K. Kurne Chowk, Worli, Mumbai - 400 018. Tel.: +91 22 6652 6000 CIN: L65921MH1991PLC059642 Email Id: company.secretary@mahindrafinance.com Contact details : Customers-service@mahindrafinance.com Debentures- mmfsl_treasury_ncd@mahindrafinance.com einward.ris@kfintech.com	**Kfin Technologies Limited (Registrar and Share Transfer Agents) - Equity Shares/ Debentures** Unit: Mahindra & Mahindra Financial Services Ltd. Selenium Building, Tower B, Plot Nos. 31-32, Financial District, Nanakramguda, Gachibowli, Serilingampally Mandal, Hyderabad – 500 032, Telangana, India. Tel.: +91 40 6716 2222/1800 309 4001 Fax: +91 40 2300 1153 Email: einward.ris@kfintech.com Website: www.kfintech.com Also have office at: 24-B, Raja Bahadur Mansion, 6 Ambalal Doshi Marg, Behind BSE, Fort, Mumbai - 400 001. Tel.: + 91 22 66 23 5454
Queries/complaints/requests in respect of Fixed Deposits Mahindra & Mahindra Financial Services Limited, 37 & 38 4th Floor ASV Ramana Towers, Venkat Narayana Road, T Nagar, Chennai-600 017, Tamil Nadu. Contact: Chennai: +91 44 4227 6006 Mumbai: +91 22 6652 3500/ 1800 266 9266 Email Id: fixeddeposit@mahindrafinance.com	**Debenture Trustee** Axis Trustee Services Limited Corporate Office: The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar (West), Mumbai - 400 028. Phone: 022 - 6230 0437 Fax: 022 - 6230 0700 Email : debenturetrustee@axistrustee.in

Date: 22nd April 2025

Declaration by the Managing Director under Regulation 34(3) read with schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of
Mahindra & Mahindra Financial Services Limited

I, Raul Rebello, Managing Director & CEO of Mahindra & Mahindra Financial Services Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March 2025.

For **Mahindra & Mahindra Financial Services Limited**

Place: Mumbai
Date: 22nd April 2025

Raul Rebello
Managing Director & CEO
DIN: 10052487

Annexure-A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V - Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED
(CIN: L65921MH1991PLC059642)
Gateway Building, Apollo Bunder,
Mumbai, Maharashtra, India, 400001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Mahindra & Mahindra Financial Services Limited** having **CIN: L65921MH1991PLC059642** and having its registered office at Gateway Building, Apollo Bunder, Mumbai, Maharashtra, India, 400001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V- Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment/Re-appointment in the Company
1.	Dr. Anish Dilip Shah	02719429	18-03-2016 Re-appointed on 23-07-2024
2.	Mr. Raul Ignatius Rebello	10052487	01-05-2023
3.	Mr. Amarjyoti Barua	09202472	28-07-2023
4.	Mr. Ashwani Ghai	09733798	23-06-2023
5.	Mr. Diwakar Gupta	01274552	01-01-2023
6.	Dr. Rebecca Ann Nugent	09033085	05-03-2021
7.	Mr. Milind Shripad Sarwate	00109854	01-04-2019 Re-appointed on 01-04-2024
8.	Mr. Vijay Kumar Sharma	02449088	15-05-2024

*On attaining superannuation, Mr. Ramesh Iyer ceased to be the Vice-Chairman & Managing Director of the Company effective close of business hours of 29th April 2024.

* Mr. Raul Ignatius Rebello was appointed as a Whole-Time Director designated as "Executive Director and MD & CEO - Designate" of the Company, liable to retire by rotation w.e.f. 1st May 2023 and he assumed the position of "Managing Director & CEO" of the Company w.e.f 30th April 2024 upon superannuation of Mr. Ramesh Iyer effective close of business hours of 29th April 2024.

*Mr. Dhananjay Mungale, and Mrs. Rama Bijapurkar ceased to be Independent Director(s) of the Company upon completion of their second term of 5 consecutive years each as Independent director(s) effective close of business hours of 23rd July 2024.

*Mr. Chandrashekhar Bhaskar Bhave, ceased to be an Independent Director on completion of his second term of 5 consecutive years as an Independent Director of the Company effective 02nd February 2025.

*Mr. Vijay Kumar Sharma was appointed as an Independent Director of the Company for a 1st term of 5 consecutive years with effect from 15th May 2024, not liable to retire by rotation.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on this, based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **KSR & Co Company Secretaries LLP**

Dr. C.V. Madhusudhanan
Partner
FCS: 5367; CP:4408
Firm Reg No. P2008TN006400
Peer Review No. 2635/2022
UDIN: F005367G000177044

Date: 22nd April 2025
Place: Coimbatore

Certificate on Compliance with the Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
Mahindra & Mahindra Financial Services Limited
(CIN: L65921MH1991PLC059642)
Gateway Building, Apollo Bunder,
Mumbai, Maharashtra, India, 400001

We have examined documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and all the relevant records for certifying the compliance of conditions of Corporate Governance of **Mahindra & Mahindra Financial Services Limited (CIN: L65921MH1991PLC059642)** (hereinafter called "the Company"), as stipulated in Regulation 34 (3) read with Para E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the management. The management along with the Board of Directors are responsible in implementation and maintenance of internal control and procedures to ensure compliance with conditions of corporate governance as stated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

Our Responsibility

Our examination was limited to implementation of the conditions thereof and adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). It is neither an audit nor an expression of opinion on the financial statements of the Company.

Our Opinion

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 16 to 27, clauses (b) to (i) and (t) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable during the year ended March 31,2025.

The Company has complied with paragraph C and D of discretionary requirements as stated under Part E of Schedule II of Listing Regulations read with clause (12) of Paragraph C of Schedule V of the Listing Regulations.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **KSR & Co Company Secretaries LLP**

Dr. C.V. Madhusudhanan
Partner
FCS: 5367; CP:4408
FRN: P2008TN006400
Peer Review No. 2635/2022
UDIN: F005367G000177055

Date: 22nd April 2025
Place: Coimbatore

Business Responsibility and Sustainability Report

Section A: GENERAL DISCLOSURES

I Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L65921MH1991PLC059642
2	Name of the Listed Entity	Mahindra & Mahindra Financial Services Limited (MMFSL)
3	Year of incorporation	1991
4	Registered office address	Gateway Building, Apollo Bunder, Mumbai, 400-001 India
5	Corporate address	Mahindra Towers, 3rd Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai 400-018 India
6	E-mail	sustainability@mahindrafinance.com (for matters related to BRSR)
7	Telephone	+91 22 66526000
8	Website	www.mahindrafinance.com
9	Financial year for which reporting is being done	FY2025
10	Name of the Stock Exchange(s) where shares are listed	Bombay Stock Exchange Limited and National Stock Exchange of India Limited
11	Paid-up Capital	₹ 246.98 Crore
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	**Particulars** / **Details** Name: Anupreet Anand Designation: Head of Sustainability In case of any BRSR query: sustainability@mahindrafinance.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The reporting boundary encompasses all 1365 locations of Mahindra & Mahindra Financial Services Limited ("**MMFSL**" or "**Mahindra Finance**" or "**Company**") across India
14	Name of assurance provider	SGS India Private Limited
15	Type of assurance obtained	• Core Indicators - Reasonable Assurance* • Non-Core Indicators - Limited Assurance

Note (*): In accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2025, the requirement for assurance was replaced with "assessment or assurance of the specified parameter". For the BRSR FY2025 report, Mahindra Finance has continued with the original SEBI obligation of Reasonable Assurance (80+% of data assurance) for core indicators and a Limited Assurance (20+% of data assurance) for non-core indicators.

II Products / Services

16 Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Financial and insurance Service	Financial and Credit leasing activities	99.65%
2	Financial and insurance Service	Other financial activities	0.35%

17 Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Asset Financing	64990	86.59%

III Operations

18 No. of locations where plants and/or operations/ offices of the entity are situated:

Location	No. of plants	No. of offices
National	Not Applicable	1,365 locations as on 31st March 2025
International	Not Applicable	The Company operates through its Joint Venture (JV) Company Mahindra Finance USA LLC, in United States and through its subsidiary company Mahindra Ideal Finance Limited, in Sri Lanka. Note: the JV companies are not within the purview of the BRSR boundaries.

19 Markets served by the entity

Location	Number
National (No. of States)	27
Union Territories	7
International (No. of States)	NA

What is the contribution of exports as a percentage of the total turnover of the entity?	There were no exports during FY2025; hence the contribution of exports to total turnover is zero.
A brief on types of customers	Mahindra Finance serves a broad and diverse customer base, primarily located across rural and semi-urban India. The Company offers a comprehensive range of financing, investment, and insurance solutions designed to meet the specific needs of individuals, entrepreneurs, and businesses in these regions. The Company caters to customers across multiple sectors, including agriculture, transportation, and small and medium enterprises (SMEs), many of whom seek financial assistance for the purchase of vehicles, tractors, commercial equipment, housing, and other essential assets. With deep-rooted expertise in understanding rural aspirations and credit requirements, the Company plays a critical role in advancing financial inclusion and enabling economic empowerment at the grassroots level.

IV Employees

20 Details as at the end of Financial Year:

a Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Employees					
	Permanent (A)	25,261	23,895	94.59	1,366	5.41
	Other than Permanent (B)	3,438	2,996	87.14	442	1,286
	Total employees (A + B)	**28,699**	**26,891**	**93.70**	**1,808**	**6.30**
	Workers					
	Permanent (C)	Not Applicable				
	Other than Permanent (D)					
	Total workers (C + D)					

b Differently abled Employees and workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Differently abled Employees					
	Permanent (E)	44	41	93.18%	3	6.82%
	Other than Permanent (F)	0	0	0	0	0
	Total employees (E + F)	**44**	**41**	**93.18%**	**3**	**6.82%**
	Differently abled Workers					
	Permanent (G)	Not Applicable				
	Other than Permanent (H)					
	Total employees (G + H)					

Remark: As a service-sector entity, Mahindra Finance does not hire any "workers" as defined under the BRSR framework. All non-permanent employees including consultants, interns and fixed-term workforce have been captured in the "Other than Permanent" employee category throughout the document.

21 Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.50%
Key Management Personnel	3	1	33.33%

22 Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY (2024-25) (Turnover rate in current FY)			FY (2023-24) (Turnover rate in previous FY)			FY (2022-23) (Turnover rate in year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	31.92%	26.21%	30.97%	26.78%	19.62%	26.45 %	20.08%	18.81%	19.94%
Permanent Workers	Not Applicable								

V Holding, Subsidiary and Associate Companies (including joint ventures)

23 Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Mahindra & Mahindra Limited	Holding	52.16	Yes*
2	Mahindra Insurance Brokers Limited	Subsidiary	100	Yes#
3	Mahindra Rural Housing Finance Limited#	Subsidiary	98.43	Yes#
4	Mahindra Manulife Investment Management Private Limited	Subsidiary	51	No
5	Mahindra Manulife Trustee Private Limited	Subsidiary	51	No
6	Mahindra Finance CSR Foundation	Subsidiary	100	No
7	Mahindra Ideal Finance Limited	Subsidiary	58.20	No
8	Mahindra Finance USA LLC	Joint Venture	49	No

Note:

(*) As the holding company, Mahindra & Mahindra Limited has formalized policies and procedures related to human resources, governance and corporate social responsibility (CSR) that has been replicated and board-approved at Mahindra Finance. Additionally, some CSR, employee engagement, stakeholder engagement and regulatory body interactions would be in common between Mahindra & Mahindra and Mahindra Finance. The response provided in the participation in BR initiatives has been identified as "Yes" but it should be noted that quantitative data provided in this BRSR is exclusive to Mahindra Finance. Qualitative write-ups including CSR initiatives and stakeholder engagement processes may have overlap between the two entities, but the BRSR responses has largely focused on the implementation at the Mahindra Finance level wherever possible.

(#) As subsidiaries of Mahindra & Mahindra Financial Services Limited, the two companies - Mahindra Insurance Brokers Limited and Mahindra Rural Housing Limited have policies, procedures and commitments in common. Some examples of the same include a common commitment to GHG reduction as disclosed through Science Based Targets Initiatives (SBTi), highest authority responsible for implementing the business responsibility policy, major suppliers and some human resource policies. Furthermore, the two subsidiaries are housed in the same building as Mahindra Finance and therefore share common infrastructure including fresh water sources, drainage channels and waste recycling vendors. The response provided in participation in BR initiatives has been identified as "Yes" but the quantitative data provided in this BRSR is exclusive to Mahindra Finance. Qualitative sections including policies and procedures and senior management trainings would be common between both entities.

VI CSR Details

24 a Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

b Total Income (in ₹) 16,074.69 Crore

c Net worth (in ₹) 19,812.23 Crore

VII Transparency and Disclosures Compliances

25 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://www.mahindrafinance.com/wp-content/uploads/2023/09/Grievance-Redressal-Policy_Revised-Version-1.2.pdf	0	0	-	0	0	-
Investors (other than shareholders)	Yes https://www.mahindrafinance.com/wp-content/uploads/2024/04/INVESTOR-GRIEVANCE-REDRESSAL-POLICY-1.pdf	0	0	-	1	0	-
Shareholders	Yes https://www.mahindrafinance.com/wpcontent/uploads/2024/04/INVESTOR-GRIEVANCEREDRESSAL-POLICY-1.pdf	1	0	-	3	0	-
Employees & Workers	Yes 1. https://www.mahindrafinance.com/wp-content/uploads/2023/07/coc-policy-v5-01-11-2024.pdf 2. https://www.mahindrafinance.com/wp-content/uploads/2023/07/whistle-blower-policy-01-11-24-revised-committee-members.pdf	1	0	-	0	0	-
Customers	Yes https://www.mahindrafinance.com/wp-content/uploads/2023/07/whistle-blower-policy-01-11-24-revised-committee-members.pdf	43,174	3,555	-	1,7960	404	-
Value Chain Partners	Yes https://www.mahindrafinance.com/wp-content/uploads/2023/07/Supplier-Code-of-Conduct.pdf	0	0	-	0	0	-

26 Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Emissions and Climate Change	Risk & Opportunity	**Risks** • Climate Change poses significant operational, reputational and financial risks especially for financial institutions with deep rural and infrastructure linkages. • Increased probability of climate hazards can directly affect the Company operations through damage to pan-India offices and increased chances of defaults/non-performing assets in the portfolio. • Climate change has an indirect effect on the finances of the business through increased energy demand and investment into climate resilient infrastructure. **Opportunities** • Increased availability of cheaper and safer technology for energy efficiency in response to climate change trends reduces the financial burden on companies for heating and cooling solutions. • Changing consumer demands for financial services and government concessions for green technologies, open the market for alternative technologies and diversified financial solutions.	• Declared scope emission reductions targets with Science Based Targets Initiative (SBTi) in FY2023 and implemented energy efficiency technology (BLDC fans, 5* rated air conditioners, L.E.D. lights) and green tariff programs to reduce Scope 2 emissions. • Development of specific actions related to Scope 1 reduction including decarbonization targets at high-emitting sites, transition towards electric vehicles for company-owned vehicles and move towards environmentally friendly refrigerants. • Progressively increase the consumption of green energy for the energy demand to align with a group-level strategy on 100% renewable energy adoption across companies. • Focus on reduction of emissions in the value chain through 100% recycling of waste streams and switch towards recycled paper used in Mahindra Finance offices. • Increased focus on afforestation programs in CSR and pro-bono initiatives to contribute towards green cover and ecosystem restoration.	Negative and Positive
2	Human Capital	Risk & Opportunity	**Risks** • A lack of skilled talent or high attrition rate can hinder the Company's ability to execute the business strategy effectively. • Inadequate training, limited career growth opportunities or disengagement can reduce productivity and employee morale that impacts service quality and operational efficiency.	• Skill-building across teams (e.g., Crisis Management, Emotional Intelligence, Advanced Excel, Digital Onboarding). • Two-day induction with mandatory policy modules. • Partnership with ALYVE Health for mental well-being (EAP, check-ups, consultations).	Negative and Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			Opportunities • Investing in human capital development through upskilling, continuous learning and leadership pipelines ensures that employees possess the right capabilities to support the company's growth. • Diverse and skilled workforce promotes innovation and creativity in the workplace that makes the company more resilient and dynamic to changing trends in the industry. • A thriving, safe and inclusive work environment enhances employee satisfaction and retention.		
3	Diversity, Equity and Inclusion	Opportunity	**Opportunities** • Fostering equity and belonging improves workplace culture and strengthens the company's social reputation. • Diverse backgrounds promote innovation and better understanding of customer needs that overall contributes to company's resilience and dynamism to changing trends in the industry. • Localized knowledge of communities can improve the customer interaction and operational efficiency.	Several initiatives have been developed by Mahindra Finance to enhance the diversity metrics in the company focused on gender, persons with disabilities (PWD) and new parents. The initiatives have been listed in the Integrated Report (IR) and relevant sections of the BRSR	Positive
4	Customer Well-being	Risk & Opportunity	**Risks** • Poor customer experience can negatively affect operations and reputation of the company. **Opportunities** • Good customer service keeps the channels open to customer feedback and continuous improvement of operational efficiency and service delivery.	• 365-day customer call centre (except national holidays), operating from 8 AM to 10 PM in 10 languages. • Centralised resolution team for credit bureau-related concerns. • Behavioural training for staff to strengthen customer interaction and query resolution.	Negative
5	Business Ethics	Risk	**Risks** • Inadequate monitoring of issues such as fraud, misconduct, corruption, money laundering, conflict of interest and violation of competition laws. • Above issues can attract regulatory scrutiny, significant financial penalties, settlements and reputational damage.	• Defined board-approved policies for anti-fraud, anti-bribery, anti-corruption, conflict of interest and anti-money laundering that is then communicated through mandatory annual training modules for all employees. • Structured Board Committees on key topics including risk, audits and stakeholder relationships. • 100% of the KMPs, and employees received training covering all 9 NGRBC principles, including ethics and transparency • Establishment of fraud control units, for proactive fraud detection and prevention. • All employees provide an undertaking/annual compliance to showcase their alignment with the Mahindra Finance principles on Business Ethics.	Negative
6	Board Governance	Risk & Opportunity	**Risks** • Poor board governance can result in low standardisation of procedures and accountability that increases the chances of ethical and regulatory issues. • Consistent and/or frequent communications from senior management is required to set expectations for the workforce and prevent employee disengagement, lapses and negligence. **Opportunities** • Robust and transparent governance practices foster stakeholder trust, ensure regulatory compliance and drive responsible growth. • Well-governed organizations are better equipped to navigate risks, capitalize on opportunities and align its actions with broader societal and environmental expectations.	• Established board sub-committees on key topics such as risk management, stakeholder relationship, remuneration, strategic investments and audits. • Board-approved policies with clear definition of responsibilities and accountability. The policies are reviewed annually to ensure frequent updation and continuous improvement. • The use of townhalls to ensure communication between CXOs and the larger workforce on key topics that are material to day-to-day operations.	Negative and Positive
7	Risk & Control Systems	Risk	**Risks** • Inability of the company to identify key risks that can affect the business and stakeholders. • Inefficient systems can have significant regulatory, reputational, financial and operational implications on the company.	• Risk management strategies related to credit risk, liquidity risk, interest rate risk, business risk, operational risk, compliance risk, information technology risk, human capital risk, market risk and climate risk have been developed.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			• Inability to manage cash flows and resources because of unexpected events such as increased non-performing assets, climate hazards, cybersecurity, supply chain stoppages and global events (e.g. wars/pandemics).	• Business Continuity Plan has been developed for the company that covers a wide variety of unexpected events and the plan defines actions that can be undertaken to reduce the impact from such events. • Internal Capacity Adequacy and Assessment Process (ICAAP) has been developed to evaluate key risk parameters on a quarterly basis and to determine efficacy of risk management processes. • Audit, risk management and steering committee has been developed that evaluates and discusses key risks and their preventive controls at the board level on a quarterly basis. • Third-party vendors undergo data privacy compliance assessments, have data sharing agreements in place, and possess ISO 27001 certification for independent verification.	
8	Responsible Products & Services	Opportunity	**Opportunities** • Mahindra Finance aims to contribute to India's growth in the rural and semi-urban sector. • The financial products of Mahindra Finance are aligned to India's development indices including access to transportation, access to housing, farming and agriculture and financial options for small and medium enterprises. • The Mahindra Finance subsidiary - Mahindra Rural Housing Finance Limited (MRHFL) caters to an affordable housing customer base. • Several of Mahindra Finance products including personal loans, insurance, leasing finance and co-finance options are aimed at providing microfinance solutions. • Mahindra Finance has ventured into Electric Vehicle (EV) financing and is collaborating with Mahindra Group on the Electric 4-wheeler financing.	Mahindra Finance has a strategy team that works across the organization and other Mahindra Group entities to also maximize the growth and impact of responsible products and services. The growth strategies of these programs have been defined in the Integrated Report	Positive

Section B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes, MMFSL has a Policy covering all the 9 principles and the core elements of the NGRBCs								
	Has the policy been approved by the Board? (Yes/No)	Yes								
	Web Link of the Policies, if available	The policies that cover the 9 principles can be found here - https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, key aspects of the policies are defined within the terms and conditions of the purchase order for vendor services and compliance to the same are reviewed during vendor onboarding and periodic assessment.								
4	Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	**The Company adheres to globally recognized standards and frameworks, including:** • UN Guiding Principles on Business and Human Rights (UNGPs) • UN Sustainable Development Goals (SDGs) • Core Conventions of the International Labour Organization (ILO) • OECD Guidelines for Multinational Enterprises The Company is a signatory to the United Nations Global Compact (UNGC), endorsed by the Managing Director and Chief Executive Officer. **ESG performance is reported in alignment with:** • Global Reporting Initiative (GRI) Standards • Integrated Reporting Framework (IIRC) The Company holds ISO 27001 certification for Information Security Management.								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	MMFSL has developed a sustainability roadmap across parameters. The declared goals and targets have been summarized below:								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	(see table below)								

Specific commitment, goal and target	Progress against the commitment, goal and target
Scope 1 and Scope 2 emission reduction of 50.4% declared with Science Based Targets Initiative (SBTi) to be met by FY2032 compared to baseline values determined in FY2023.	• Scope 1 Emissions has increased compared to baseline values provided in FY2023 because of the addition of two new categories i.e. refrigerants and company-owned vehicles of middle management. • Scope 2 Emissions has reduced by ~21% compared to the baseline values provided in FY2023 because of the energy saving initiatives (e.g. BLDC fans, 5* equipment, LED lights) and purchase of green tariffs.
Scope 3 emission reduction of 58.1% per employee declared with SBTi to be met by FY2032 compared to baseline values determine in FY2023.	A ~50% reduction in Scope 3 emissions per employee has been achieved in FY2025 compared to baseline values in FY2023 across four categories - employee commute, purchased goods and services, waste management and business travel.
100% recycling of waste streams declared in FY2024 Integrated Report (IR) in compliance with various waste rules released by the Central Pollution Control Board (CPCB)	Target was met in FY2025 and the commitment is to continue to ensure that 100% recycling of waste streams is followed in subsequent financial years.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9

Specific commitment, goal and target	Progress against the commitment, goal and target
Human rights assessment carried out across 100% of corporate and regional offices by FY2026. The HRDD has been identified as a requirement for being a signatory to the United Nations Global Compact (UNGC).	• Human Rights Due Diligence (HRDD) was completed for the corporate office and three regional offices in FY2025, covering 50% of the target. • Budget has been allocated for completing remaining 4 Regional Offices in FY2026.
Diversity, Equity and Inclusion (DE&I) Target	• Targets were formalized at the end of the reporting period; therefore, no interim progress is reported. • As of March 31, 2025, women constituted 6.2% of the permanent workforce. • A target of 7% women representation in the permanent workforce has been declared by the Company in FY2026. • A target of 10% women representation in the permanent workforce has been declared by the Company in FY2028.
Corporate Social Responsibility (CSR) target that meets and where possible, expands beyond the requirements defined in the Companies Act, 2013.	• In FY2025, the Company set a target to reach 263,980 beneficiaries and exceeded it by ~6.2% reaching 280,303 individuals through initiatives such as Dhan Samvaad (Financial and Digital Literacy), Mahindra Pride Classroom, Saksham Scholarship Project, electric autorickshaw driver training workshops for women, employability skills training projects and Nanhi Kali (skill training to young girls). • The focus areas include education, employability, financial literacy, and environmental sustainability through long-term programmes.

Governance, leadership and oversight

	Disclosure Questions	P1 P2 P3 P4 P5 P6 P7 P8 P9
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Mahindra Finance has established its sustainability mission through a board-approved sustainability policy that builds on the Mahindra Rise principles of 'Rise for a More Equal World', 'Rise to Be Future Ready' and 'Rise to Create Value'. The four priority areas for sustainability integration into the business ethos are climate change, innovative energy transition, inclusive policies, and stakeholder engagement. For each of these priority areas, we have developed targets wherever applicable and planned specific initiatives for FY2025 and beyond. Illustrative achievements include: • Enhancing climate resilience across 1,365 locations and reducing emissions throughout our value chain. Aligned with SBTi, we aim to cut Scope 1 & 2 emissions by 50.4% and select Scope 3 emissions by 58.1% by FY2032. • By FY2025, energy usage was reduced by ~20% (vs. FY2023), driven by efficient appliances and green energy pilots. • A reduction of ~50% was achieved in Scope 3 emissions through interventions in reduction of waste generated and business travel. • All employees underwent human rights training, and DE&I initiatives were scaled up during the year. • Governance structures have been further strengthened through ESG-linked CXO KPIs, regular board-level sustainability reviews, and a robust ESG risk assessment embedded within our credit processes. The focus for FY2026 is to build on sustainability initiatives that have commissioned in FY2023-25 and to better integrate sustainability into the business operations. A dedicated sustainability department was created in FY2025 for effective sustainability integration across the organization. The process of integrating ESG risk management into the business loan cycle is also being developed to align with global expectations on a sustainable investment strategy.
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Raul Rebello (Managing Director & Chief Executive Officer, MMFSL) is the highest authority responsible for oversight on business responsibility across the company.
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, The Corporate Social Responsibility (CSR) board sub-committee have enhanced its Terms of Reference (ToR) to specifically incorporate ESG matters. The committee comprises of three directors including two independent directors and one managing director. The committee's mandate ensures governance and strategic alignment with the Company's ESG objectives. The specific responsibilities of the CSR committee towards sustainability related issues have been summarized below: • Approval of formulated policies and procedures related to ESG performance and BRSR. • Discuss the overall general strategy with respect to ESG matters and ensure compliance with sustainability regulatory requirements. • Align with the Risk Management Committee (RMC) on ESG risks pertaining to the Company.

10 Details of Review of NGRBCs by the Company:

<table>
<tr><th rowspan="2">Subject for Review</th><th colspan="9">Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee</th><th colspan="9">Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)</th></tr>
<tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td>Performance against above policies and follow up action</td><td colspan="18">Relevant policies of the Company are reviewed annually by the board/designated board-level committees.</td></tr>
<tr><td>Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances</td><td colspan="18">The Company ensures compliance with all applicable statutory requirements. Various board-level committees have been constituted, which meet periodically to monitor compliance objectives and review performance.</td></tr>
</table>

<table>
<tr><th></th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td>11 Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</td><td colspan="9">The Company's policies were evaluated by an independent entity of Mahindra Group - Mahindra Institute of Quality (MIQ), in the first half of each financial year. The last assessment undertaken by MIQ was completed in November 2024 that provided a score out of '5' for the policies and processes related to sustainability.
The key parameters evaluated in the assessment include:
• Sustainability policy
• Material issues
• Sustainability roadmap
• Stakeholder engagement
• Sustainability review
• Sustainability investments
• Climate change risks to business
• UN Sustainable Development Goals alignment
• Sustainability training and capacity building
• Sustainability reporting
The above assessment is restricted to the sustainability review of the Company. Additionally, subject matter experts from MIQ separately undertake a review of the risk and governance aspects of the Company that align with the business responsibility objectives of the BRSR.</td></tr>
</table>

12 If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated, as below:

Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)					NA				
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)					NA				
The entity does not have the financial or/human and technical resources available for the task (Yes/No)					NA				
It is planned to be done in the next financial year (Yes/No)					NA				
Any other reason (please specify)					NA				

Section C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

P1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

ESSENTIAL INDICATORS

1 Percentage coverage by training and awareness programmes on any of the principles during the financial year:

<table>
<tr><th>Segment</th><th>Total number of training and awareness programmes held</th><th>Topics / principles covered under the training and its impact</th><th>% of persons in respective category covered by the awareness programmes</th></tr>
<tr><td>Board of Directors</td><td>2</td><td>• Half-yearly BRSR familiarization program to board sub-committee
• BRSR principle wise update of MMFSL performance to board sub-committee</td><td>100%</td></tr>
<tr><td>Key Managerial Personnel</td><td>9</td><td rowspan="2">• Code of Conduct
• Anti-Money Laundering (AML)
• Anti-Bribery and Anti-Corruption
• Sustainability Implementation and BRSR requirements
• Cybersecurity and Data Privacy
• Fair Practices
• Operational Risk Management
• Prevention of Sexual Harassment (POSH)</td><td>100%</td></tr>
<tr><td>Employees other than BoD and KMPs</td><td>9</td><td>98.05%</td></tr>
<tr><td>Workers</td><td>NA</td><td>NA</td><td>NA</td></tr>
</table>

2 Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website

<table>
<tr><th>Category</th><th>NGRBC Principle</th><th>Name of the regulatory/ enforcement agencies/ judicial institutions</th><th>Amount (In ₹)</th><th>Brief of the Case</th><th>Has an appeal been preferred? (Yes/No)</th></tr>
<tr><td colspan="6">Monetary</td></tr>
<tr><td>Penalty/ Fine*</td><td>0</td><td colspan="4">Please refer note</td></tr>
<tr><td>Settlement</td><td colspan="5">Nil</td></tr>
<tr><td>Compounding fee</td><td colspan="5">Nil</td></tr>
<tr><td colspan="6">Non-Monetary</td></tr>
<tr><td>Imprisonment</td><td colspan="5">Nil</td></tr>
<tr><td>Punishment</td><td colspan="5">Nil</td></tr>
</table>

Note:

* There are no fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year which are material as specified in Regulation 30(4)(i)(c) of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 ("LODR").

Please refer to Company's website at https://www.mahindrafinance.com/investor-relations/regulatory-filings to access the disclosures made to the Stock Exchanges under Regulation 30 of LODR for penalties levied by Tax Authorities in connection with assessment matters, and other penalties.

Details of penalties levied by other regulators can be accessed on the websites of the stock exchanges in the integrated corporate governance report filed by the Company for the quarter ended 31st December 2024 and 31st March 2025.

3 **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	Not Applicable

The Company has filed appeals, where necessary and expects favourable outcome at the appellate level. The Company does not reasonably expect the said Orders to have any material financial impact on the operations of the Company.

4 **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes. MMFSL practices a zero-tolerance approach to bribery and corruption and is committed to conducting all business dealings and relationships in a professional and fair manner. The Company is dedicated to implementing and enforcing effective systems to counter bribery and corruption in any form.

ABAC Policy: https://www.mahindrafinance.com/wp-content/uploads/2023/07/Anti-Bribery-and-Anti-Corruption-Policy.pdf

5 **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption**

Category	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Directors	Nil	Nil	NA	NA	NA
KMPs	Nil	Nil	NA	NA	NA
Employees	Nil	Nil	NA	NA	NA
Workers	Nil	Nil	NA	NA	NA

6 **Details of complaints with regard to conflict of interest**

Category	FY 2024-25 (Current Financial Year)		FY 2023-24 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7 **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

NA

8 **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Number of days of accounts payables	0	NA

Note: The number of days accounts payable has been calculated as zero because all outstanding payments to vendors for FY2025 has been closed during the same financial year.

9 **Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	NA	NA
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	37.51%	40.14%
	b. Sales (Sales to related parties / Total Sales)	0.45%	0.64%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d. Investments (Investments in related parties / Total Investments made)	14.42%	15.54 %

LEADERSHIP INDICATORS

1 **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
6	All 9 principles of BRSR were covered including the following topics: • Ethics • Employee wellbeing • Human Rights • Environment • Inclusive growth & Equitable Development • Value for consumers • Stakeholder • Regulatory reporting Other topics covered: • Health and safety (H&S) aspect and its impact to their business	60%

Note: 80% of the value chain was covered as part of the generic BRSR training in the previous financial year. The Human Rights Due Diligence and H&S trainings provided to 60% of the value chain in FY2025 was focused on the above-mentioned specific training modules.

2 Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

The Company maintains a zero-tolerance policy toward unethical business practices, ensuring strict adherence to established ethical principles, including those governing conflicts of interest. The Company has implemented a distinct Code of Conduct (CoC) applicable to the Board, Senior Management, and Employees, which reinforces the Company's commitment to integrity and professionalism.

The CoC mandates Directors and Senior Management to uphold the highest ethical standards and prohibits any business relationship that may conflict with their fiduciary duties. This framework reflects MMFSL's dedication to transparency, accountability, and ethical governance.

As per Section 184,166 and other applicable provisions of the Companies Act, 2013, the Directors are required to disclose their interest/conflict of interest, if any, to the Company. The Company also procures 'fit and proper' declaration (inclusive of conflict-of-interest declaration) from Directors at the time of their appointment and on annual basis, and from Senior Management of the Company at the time of appointment.

All the members of Board and Senior Management Personnel have confirmed to the Company's Code of Conduct. None of the Directors have any pecuniary relation with the Company apart from remuneration. None of the Directors are related inter-se.

Link for Code of Conduct Policy: https://www.mahindrafinance.com/wp-content/uploads/2023/07/Code-of-Conduct-for-Board-of-Directors-version-4.pdf

P2 Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Category	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	32%	50%	• Replacement of old air-conditioners with 5-star BEE rated machine • Implementation of fire alarm panels across designated facilities. • Implementation of BLDC fans to improve energy efficiency. • Green tariff program initiated for the corporate office.

Note:

- Energy saving initiatives (e.g. BLDC fans, 5-star BEE rated machines) that were initiated in FY2024 have been implemented in additional offices in FY2025.
- Replacement of conventional lighting with LEDs was completed in FY2024 and adopted as a standard for all new offices that were opened in FY2025.
- Mahindra Finance initiated the process of obtaining green tariffs for its corporate office at Kurla, Mumbai in November 2024. The initiative will be implemented in additional office locations in FY2026.

2 Does the entity have procedures in place for sustainable sourcing? (Yes/No)

As a service-focused industry, sustainable sourcing can be achieved through two major mechanisms:

i. Working with responsible suppliers to promote sustainable goods and services.

ii. Ensuring the existing supply chain aligns with MMFSL requirements on environmental and social performance management.

I. Working with responsible suppliers

- Several alternative technologies have been implemented across MMFSL offices to ensure sustainable use of energy as described in P2 E1 of BRSR.
- Refrigerant and Heating, ventilation and air conditioning (HVAC) systems are proactively being shifted to more sustainable refrigerant gases like R32.
- An initiative was launched in the corporate office in FY2024 to purchase wheat-based paper for operational use.

II. Sustainable Supply Chain Management

- All new vendors that are onboarded into MMFSL are assessed for reputational risk and legal compliance.
- Environmental & Social (E&S) requirements of MMFSL are defined in the vendor onboarding documentation and purchase orders.
- Vendor assessment including self-certification is completed by the MMFSL sustainability and administrative team every two years. The most recent evaluation of major vendors was completed in FY2024 and the next assignment is planned and budgeted in FY2026. The vendor evaluation is undertaken with respect to alignment to MMFSL's sustainability policies, legal compliance and labour practices.
- As part of MMFSL's membership in the United Nations Global Compact (UNGC), a Human Rights Due Diligence (HRDD) exercise was carried out in FY2025. This assessment reviewed the alignment of MMFSL's supply chain with Indian labour laws and international human rights standards, including OECD Guidelines, the International Covenants on Civil and Political Rights and Economic, Social and Cultural Rights, and the ILO Declaration on Fundamental Principles and Rights at Work

If yes, what percentage of inputs were sourced sustainably?

In FY2025, 100% of major vendors were assessed under the Company's sustainable sourcing processes, and all inputs were procured through these assessed vendors.

3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for:

Plastics (including packaging)	As a service-sector organization engaged in financial services, Mahindra Finance does not manufacture physical products or engage in large-scale packaging. Therefore, product reclamation or recycling of plastics is not applicable. However, in line with its commitment to environmental responsibility, MMFSL recycled approximately 0.84 tonnes of paper and 2.97 tonnes of e-waste during FY2025 through government-registered recycling partners. These efforts reflect the Company's approach to responsible waste management within its operational footprint.
E-waste	
Hazardous waste	
Other waste	

4 Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

NA

Note: As a responsible business, MMFSL has evaluated the end-of-life process for its loan portfolio and primarily the management of battery and tyre waste. In the case of MMFSL loans, the automobile financing business follows an auction process for repossessed vehicles and no automobile batteries or tyre waste is being generated in the operations.

LEADERSHIP INDICATORS

1 Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No). If yes, provide the web-link.

Limited Applicability

As a financial services provider, Mahindra Finance does not manufacture or distribute physical products. However, the Company has embedded a life cycle perspective into its lending operations by integrating ESG considerations into the credit risk assessment process. This includes:

- An **exclusion list** for high-risk sectors and activities.
- Ongoing **monitoring of operational portfolio risks** to identify and manage any potential environmental and social (E&S) impacts arising from financed activities.

Through these mechanisms, ESG risks are identified and mitigated prior to loan disbursement, ensuring responsible lending aligned with sustainability commitments.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
	Not Applicable	

3 Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
NA	NA	NA

4 Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not applicable as MMFSL is a financial services company hence it does not manufacture any products.			Not applicable as MMFSL is a financial services company hence it does not manufacture any products.		
E-waste						
Hazardous waste						
Other waste (paper & metal waste)						

5 Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NIL	NIL

P3 Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1a Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number I	% (C / A)	Number (D)	% (D / A)	Numbl (E)	% (E / A)	Number (F)	% (F / A)
Permanent Employees											
Male	23,895	23,895	100	23,895	100	NA	-	23,895	100	-	-
Female	1,366	1,366	100	1,366	100	1,382	100	NA	-	-	-
Total	**25,261**	**25,261**	**100**	**25,261**	**100**	**1,382**	**5.47**	**23,895**	**94.59**	**-**	**-**
Other than Permanent Employees											
Male	2,996	2,996	100	2,996	100	0	0	0	0	0	0
Female	442	442	100	442	100	0	0	0	0	0	0
Total	**3,438**	**3,438**	**100**	**3,438**	**100**	**0**	**0**	**0**	**0**	**0**	**0**

1b Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number I	% (C / A)	Number (D)	% (D / A)	Numbl (E)	% (E / A)	Number (F)	% (F / A)
Permanent Workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Other than Permanent Workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

1c Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the Company	0.35%	0.65%

Note: The spending towards well-being of employees and other than permanent employees include the costs incurred by the employee engagement team of MMFSL on employee welfare and workplace improvement programs, post-maternity leave benefits that employees can avail over and above the regulatory requirements and various insurance covers.

2 Details of retirement benefits, for Current and Previous FY

Benefits	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	NA	Y	100	NA	Y
Gratuity	79.77	NA	Y	72	NA	Y
ESI	17.31	NA	Y	26	NA	Y
Others - please specify	-	-	-	-	-	-

3 Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, to the best extent possible and wherever feasible, MMFSL offices are being made accessible to differently abled employees in alignment with the Rights of Persons with Disabilities Act, 2016.

The following considerations are incorporated, particularly when opening or relocating branches, with a view to being future-ready and inclusive:

- Preference for selecting ground floor locations.
- Assessment of feasibility for installing ramps and railings at ground floor branches.
- Provision of Public Works Department-friendly washrooms, along with accessibility features such as adequate lighting, ventilation, and ergonomic infrastructure.
- Design of branch layouts to enable easy access and passage for persons with disabilities, wherever feasible.

4 Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. Mahindra Finance is an Equal Opportunity Employer and is committed to upholding the rights of differently abled individuals in accordance with the Rights of Persons with Disabilities Act, 2016. The Company actively works toward identifying suitable roles and creating specific employment opportunities for persons with disabilities, in both letter and spirit of the Act.

The Company's approach to equal opportunity and inclusion is detailed in its publicly disclosed Human Rights Policy, available at: https://www.mahindrafinance.com/wp-content/uploads/2023/07/Human-Rights-Policy.pdf

5 Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	99.82%	69.87%	NA	NA
Female	37.04%	75.00%	NA	NA
Total	**94.37%**	**70.72%**	**NA**	**NA**

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Yes
Other than Permanent Employees	Yes
	Mahindra Finance has instituted a formal grievance redressal policy applicable to all employees, including non-permanent personnel. A structured multi-tier escalation mechanism is in place: Step 1: Concerns are first raised with the employee's Reporting Manager. Step 2: If unresolved, the grievance is escalated to the Reviewing Manager. Step 3: Unresolved grievances are then referred to the Grievance Committee at the Regional, Circle, or Head Office level, depending on the nature and location of the case. The decision of the Head Office Grievance Committee is considered final. In addition to the internal process, Mahindra Finance operates a dedicated Ethics Portal, managed by a third-party service provider. This helpline enables employees to report serious concerns anonymously or directly through a toll-free number available 24/7. Once a grievance is lodged, a unique case number is generated. The status of the complaint can be tracked through the portal. In cases where anonymity is maintained, the case number serves as the only identifier for the complainant.

7 Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respecti category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	The Company does not have any employee associations. The Company fosters a culture of open communication and equal opportunity by enabling employees to directly raise queries with senior management through webcasts, which are actively addressed. Additionally, grievance redressal portals are in place to ensure timely and confidential resolution of employee concerns.					
Male	Not Applicable					
Female						
Male	Not Applicable					
Female						

8 Details of training given to employees and workers:

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	23,895	15,837	66.28	22,345	93.51	26,662	1,1767	44	26,662	100
Female	1,366	456	33.38	1,189	87.04	1,319	210	1,5.92	1,131	85.7
Total	**25,261**	**16,293**	**64.50**	**23,534**	**93.16**	**27,981**	**11,977**	**428**	**27,793**	**99.3**
Workers										
Male	NA					NA				
Female										
Total										

9 Details of performance and career development reviews of employees and worker:

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total (A)	No. (B)	%I / A)	Total (C)	No. (D)	% (D / C)
Total Permanent Employees						
Male	23,895	19,673	82.33%	26,662	16,721	63%
Female	1,366	932	68.23%	1,319	840	64%
Total	**25,261**	**20,605**	**81.57%**	**27,981**	**17,561**	**63%**
Total Permanent Workers						
Male	Not Applicable			Not Applicable		
Female						
Total						

10 Health and safety management system:

a	Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	Mahindra Finance has implemented a comprehensive Health and Safety Management System to safeguard the well-being of employees across all its locations. The system is guided by a formally approved Health & Safety Policy by the former Vice Chairman and Managing Director, and supported by detailed Standard Operating Procedures (SOPs). The policy underscores the Company's commitment to ensuring a safe and healthy work environment by identifying and mitigating workplace risks, promoting proactive safety practices, and ensuring compliance through regular inspections, training, and incident reporting. A structured 'Train-the-Trainer' programme and regular safety training sessions—covering emergency response, fire safety, and workplace best practices—reinforces this framework. To ensure continuous compliance and improvement, over 1,000 safety audits have been conducted. The Company's health and safety systems have also been externally audited and benchmarked through recognised standards and assessments, including third-party safety consultant reviews, the National Institute of Standards and Technology (NIST) Maturity Audit, Content Management Systems (CMS) Audit, and internal reviews.
b	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The Company's Hazard Identification and Risk Assessment (HIRA) process has been developed to identify work-related hazards associated with both routine and non-routine activities. This process is currently being implemented across 235 offices, each exceeding 2000 sq. ft. in area. A customized Mitkat Risk Tool has been developed for the Mahindra Financial Services Sector to provide employees with pre-emptive alerts on potential risks.
c	Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)	Yes, the Company has established a structured incident reporting and corrective action mechanism, enabling employees to promptly report workplace hazards and incidents for timely resolution. A digital 'Smart Serve' platform has been developed by Mahindra Finance to facilitate the reporting of work-related hazards and track the corresponding corrective actions taken.
d	Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes, each of the offices has an occupational health and safety centre (OHC). Additionally, branch offices have identified nearby medical facilities that can be availed by employees and other than permanent workers.

11 Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	NA	NA
Total recordable work-related injuries	Employees	0	0
	Workers	NA	NA
No. of fatalities	Employees	0	0
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	NA	NA

12 Describe the measures taken by the entity to ensure a safe and healthy work place.

Mahindra Finance has undertaken several initiatives to promote a safe, healthy, and inclusive workplace environment.

These measures include:

- Implementation of a Board-approved Health & Safety Policy to institutionalize safety protocols across the organization.
- Regular communication from senior leadership to employees on health and safety practices.
- Deployment of infrastructure-related safety systems, such as fire alarm panels, fire extinguishers, and electrical safety mechanisms across offices.
- Workplace safety training programs conducted periodically for employees to build awareness and preparedness.
- Internal safety audits carried out across offices to ensure compliance with safety standards and identify areas for improvement.
- Provision of heating panels, adequate ventilation, and accessibility features such as ramps to enhance physical safety.
- Establishment of a governance model for continuous review and implementation of safety processes across operational locations.
- Launch of a Women Safety Ambassador Program, alongside self-defence training sessions, to increase safety awareness and empowerment among female employees

13 Number of Complaints on the following made by employees and workers:

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	0	0	
Health & Safety	0	0	0	0	0	

14 Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties
Health & Safety Practices	100%
Working Conditions	

Each regional and branch office is supported by an Infrastructure and Administrative Services (I&S) professional, who holds additional responsibility for overseeing workplace safety processes and procedures. These professionals periodically assess the safety performance of their respective offices and report key findings to the Environmental Health & Safety (EHS) Head at Mahindra Finance's corporate office.

Leading and lagging safety indicators are also compiled and reported to the corporate office on a quarterly basis for centralized review and action, if required.

15	Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.	As of FY2025, no significant risks or safety-related incidents have been identified across MMFSL operations. Accordingly, no corrective actions have been required or undertaken.

LEADERSHIP INDICATORS

1	Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).	A. Yes, the Company provides its employees with the Group Term Life Insurance, Personal Accident cover, Employee Death Life Insurance, Provident Fund Benefit and Gratuity Benefit. B. Not Applicable
2	Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners	As outlined under Sustainable Sourcing (Q2 - Essential Indicators, Principle 2), regulatory compliance obligations are embedded within the Purchase Orders (POs) issued to all vendors. These requirements are periodically reviewed by the Infrastructure and Administrative Services (I&S) team. Additionally, all new vendors undergo a reputational risk assessment, which includes a check for any instances of statutory non-compliance reported in the public domain. A comprehensive vendor assessment is conducted once every two years, covering legal and statutory compliance, working conditions, and alignment with MMFSL's sustainability commitments. The most recent assessment was completed in FY2024, with the next scheduled for FY2026

3 Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

4 Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

- The Company provides continued Mediclaim coverage for employees at Manager grade and above, along with their spouses, up to the age of 75 years, post-retirement.
  - Retirement benefits include gratuity (for employees with five or more years of service), leave encashment, settlement of pending salary dues, and extended medical care as applicable.
- While no retrenchment has occurred to date, the Company is committed to responsible separation practices in the event such a step becomes necessary due to unforeseen or unavoidable circumstances.
  - In such cases, MMFSL will take measures to ensure fair treatment and transitional support for affected employees.

5 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health & Safety Practices	60% [6 of the 10 top suppliers have undertaken a health and safety/labour assessment]
Working Conditions	
	Mahindra Finance has conducted Health & Safety assessments of the following value chain partners to ensure compliance with safety standards and norms: • Supplier of fire alarm systems and fire extinguisher services for Mahindra Finance • Supplier of CCTV surveillance and access control systems • Supplier of CCTV and intruder alarm solutions • Facility management service provider at the Head Office

6 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners

A Human Rights Due Diligence (HRDD) exercise was conducted to assess health and safety practices and working conditions across value chain partners. Based on the assessment conducted a few preliminary areas of improvement have been identified, such as-

(a) During the supplier onboarding process, a dedicated checklist covering human rights parameters should be introduced for critical vendors in addition to the existing self-declaration of adherence to supplier code of conduct, can be implemented. The above includes actions around occupational health and safety and working conditions of employees. The Company is working towards implementation of Human Rights based checklist for onboarding of critical suppliers.

(b) The Company is in process of implementing annual monitoring of safety related data points for critical suppliers.

(c) The Company is in process of developing training and awareness module on occupational health and safety and working condition related practices for critical suppliers. This module will be part of a larger human rights related training that will be provided.

P4 Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1 Describe the processes for identifying key stakeholder groups of the entity.

At Mahindra Finance, we interact with a diverse set of stakeholders through both formal and informal channels, gathering their insights to inform our materiality assessment process.

The following methods are employed to identify Mahindra Finance's key stakeholder groups:

- Interviews with senior management professionals to understand critical stakeholder interactions with Mahindra Finance.
- Discussions with senior leaders to assess the influence stakeholders have on Mahindra Finance's business and the Company's stakeholder engagement strategies.
- Collection of stakeholder feedback through various channels, including employee and customer satisfaction surveys, emails, stakeholder consultation workshops, vendor engagement programs, impact assessments of CSR initiatives, and dealer meets.
- Systematic mapping of each stakeholder group's influence and impact on business operations. Branches for engagement are selected based on commercial activity levels, climate-related vulnerabilities, and business intensity.

Through a robust and transparent engagement approach, we create shared value while addressing stakeholder concerns and reinforcing clarity around our current and future objectives.

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Investors and Shareholders, Customers, Employees, Regulatory Authorities, Communities, and Suppliers.

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Community	Yes	Website, Emails, SMS, Community engagement initiatives social media.	Ongoing & Need based	A harmonious relationship with the communities where we operate is key to our social license to continue operations.
2	Employees	No	Employee engagement activities, Trainings, Email notifications, Website, Employee portals, Talent Management and growth opportunities platforms.	Ongoing & Need based	Our employees are at the centre of all our operations; their collaborative skill and expertise are essential for our growth.
3	Customers	No	Customer meets, Dealer/OEM events	Ongoing, weekly, monthly	Customer feedback, or as we call it, the Voice of Customer, is key to process improvements, quality enhancement, service performance and cost optimisation.
4	Regulators	No	Periodic/Annual compliance reports, continued engagement and representation	Need based	Key for ensuring compliance, interpretation of regulations and uninterrupted operations.
5	Shareholders/ Investors	No	Newspaper, notices, press releases, website, investor conferences, quarterly earnings calls, stock exchange announcements, Annual General Meetings (AGM), Integrated Report, Business Responsibility and Sustainability Report (BRSR)	Quarter & Need based	As providers of capital, they are key to our growth and expansion plans.
6	Dealers/ OEMs	No	Dealer portal formal mechanism, events	Ongoing	Key for providing enhanced purchase experience along with best after sales service.
7	Lenders	No	Quarter and Annual Results	Quarter & Annual	A positive relationship enables us to raise growth capital in a timely and cost-effective manner.
8	Vendors/ Suppliers	No	Dealer engagement meets and Vendor Assessments	Ongoing	Our operations are closely linked with the timely availability and services that we source, which in turn, have a material impact on the efficiency of our service delivery.

LEADERSHIP INDICATORS

1	Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.	The Stakeholder Relationship Committee of the Board is responsible for overseeing stakeholder engagement and grievance redressal mechanisms. It ensures that stakeholder priorities are aligned with the Company's strategic direction and ESG commitments. During the materiality assessment exercises conducted in FY2024 and refreshed in FY2025, inputs from stakeholders were consolidated to inform the Company's sustainability strategy. This strategy is disclosed in the Integrated Report (IR) for FY2025. A sustainability roadmap and progress update are presented annually to the ESG and CSR Committee of the Board for review, feedback, and strategic guidance
2	Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity	Yes. Stakeholder feedback is actively incorporated into Mahindra Finance's policies, strategic planning, and ESG roadmap. Engagements with both internal and external stakeholders—through surveys, workshops, impact assessments, and consultations—help identify and prioritize key environmental and social topics. These insights feed directly into the development of the Company's sustainability roadmap, which guides both compliance and forward-looking initiatives. The resulting reports also serve as critical inputs for material issue identification and programmatic decision-making
3	Provide details of instances of engagement with, and actions taken to address the concerns of vulnerable/ marginalised stakeholder groups.	Feedback from local communities, gathered through direct engagement and third-party impact assessments, plays a key role in shaping the Company's CSR initiatives. This feedback ensures that interventions are context-sensitive and aligned with the evolving needs and expectations of vulnerable and marginalised communities, thereby maximizing long-term social impact Beyond the mandate of CSR, we have identified skill training needs among vulnerable stakeholder groups and designed programs to address these needs to contribute towards better integration of these stakeholder groups into society. An example is the electric auto-rickshaw training for women that has been undertaken in Madhya Pradesh, Tamil Nadu and Puducherry, where 520+ women were trained in FY2025 on vehicle driving skills and support in obtaining driving licenses.

P5 Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1 Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	25,261	24,781	98.10%	26,662	26,508	99.42%
Other than permanent	3,438	-	-	1,319	-	-
Total	**28,699**	**24,781**	**86.35%**	**27,981**	**26,508**	**94.74%**
Workers						
Permanent	Not Applicable			Not Applicable		
Other than permanent						
Total						

2 Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. I	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F/ D)
Employees										
Permanent										
Male	23,895			23,895	100	25,567			25,567	100
Female	1,366			1,366	100	1,095			1,095	100
Other than permanent		Not Applicable					Not Applicable			
Male	2,996			2,996	100	1,095			1,095	100
Female	442			442	100	224			224	100
Workers										
Permanent										
Male										
Female										
Other than permanent	Not Applicable					Not Applicable				
Male										
Female										

3a Details of remuneration/salary/wages, in the following format:

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹)	Number	Median remuneration/ salary/ wages of respective category (₹)
Board of Directors (BoD)	4*	0.56 Crore	1	0.54 Crore
Key Managerial Personnel	1	3.95 Crore	1	1.27 Crore
Employees other than BoD and KMP	23,893	0.04 Crore	1,365	0.05 Crore
Workers	Not Applicable			

* The median calculation has been made considering the remuneration for FY2025 of the Directors, who receive remuneration from the Company and associated with the Company as on 31st March 2025, excluding Managing Director and CEO (covered under KMP).

3b Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Gross wages paid to females as % of total wages	6.57	5.80

4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/ No)

Yes, The Corporate ombudsman is the focal point responsible for addressing human rights. Contact details for the same are available in our Human Right's Policy.

Policy Link- https://www.mahindrafinance.com/wp-content/uploads/2023/07/Human-Rights-Policy.pdf

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

Mahindra Finance is committed to respecting human rights and maintaining ethical and fair business and employment practices. This commitment is embedded through dedicated committees and documented in formal policies that are accessible to all employees via the internal portal.

The Company has zero tolerance for child labour, forced labour, slavery, or any form of abuse—physical, psychological, sexual, or verbal.

A structured grievance redressal mechanism is in place:

- Employees are encouraged to first report concerns to their Reporting Manager.
- If unresolved, the matter is escalated to the Reviewing Manager.
- If further escalation is needed, the grievance is referred to the Grievance Committee at the Regional, Circle, or Head Office level, depending on the nature and location of the case.
- The decision of the Head Office Grievance Committee is deemed final.

In addition, stakeholders can report actual or suspected human rights violations—including ethical misconduct—to the Company's Corporate Ombudsman, whose contact details are provided in the publicly available Human Rights Policy.

The grievance process is formally outlined in the Human Rights Policy and Whistle Blower Policy, both of which are disclosed in the public domain.

6 Number of Complaints on the following made by employees and workers:

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	3	0	All reported complaints have been addressed and closed	1	0	All reported complaints have been addressed and closed
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/ Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human rights related issues	0	0	0	0	0	0

7 Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	3	1
Complaints on POSH as a % of female employees / workers	0.17%	0.10%
Complaints on POSH upheld	0	0

8 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Mahindra Finance has instituted a formal grievance mechanism that enables employees to raise concerns confidentially and anonymously, without fear of retaliation. This mechanism is supported by:

- The Human Rights Statement
- Whistle Blower Policy
- Vigil Mechanism
- Oversight from the Disciplinary Action Committee

The Company maintains strong commitment to fostering a safe, inclusive, and respectful workplace with strict policies that prohibit discrimination, harassment, and any form of retaliatory action against individuals who report grievances in good faith.

Additionally, MMFSL operates a 24/7 outsourced Ethics Portal with a toll-free helpline, enabling employees to report serious concerns at any time.

- Upon submission, a unique case number is generated, which allows for status tracking.
- For anonymous complaints, the case number serves as the sole identifier to maintain confidentiality.

9 Do human rights requirements form part of your business agreements and contracts? (Yes/ No)

Mahindra Finance incorporates human rights safeguards into its business relationships through various formal mechanisms:

- A Code of Conduct and Exclusion List are applicable to all value chain partners. These explicitly state that Mahindra Finance will not engage in any financing or business activities that involve or result in human rights violations.
- The Supplier Code of Conduct mandates all suppliers to submit a self-declaration affirming that their operations do not involve any form of human rights or environmental violations.

These requirements are embedded in vendor agreements and are part of the Company's broader sustainability and ethical sourcing framework.

Supplier Code of Conduct has been disclosed in public domain: https://www.mahindrafinance.com/wp-content/uploads/2023/07/Supplier-Code-of-Conduct.pdf (mahindrafinance.com)

10 Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others - please specify	N/A

11 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

In FY2025, MMFSL undertook a third-party Human Rights Due Diligence (HRDD) exercise covering both its internal operations and select value chain partners. Basis the HRDD assessment carried out, the risk of violations on the above-mentioned Human Rights was found to be 'Low'.

An outcome of the HRDD exercise was to identify areas of intervention that can be implemented to improve human rights training, assessment, enforcement and review across the company and value chain. The actions have been budgeted in the FY2026 budget for the sustainability team and will be implemented in the next financial year.

LEADERSHIP INDICATORS

1 Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints

During the financial year, no human rights-related complaints were reported. Hence, new business processes have not been modified/introduced in the Company.

The Company has a robust framework in place to uphold and monitor human rights, supported by key policies such as the Code of Conduct, Prevention of Sexual Harassment Policy, and Fair Practices Code. To promote awareness, regular training and sensitisation sessions are conducted, along with an annual certification process to ensure employee participation and reinforce a culture of respect, inclusion, and rights awareness.

2 Details of the scope and coverage of any Human rights due-diligence conducted.

In FY2025, MMFSL undertook a third-party Human Rights Due Diligence (HRDD) exercise covering both its internal operations and major value chain partners. The assessment aligned with the OECD Due Diligence Guidance for Responsible Business Conduct.

The due diligence covered the Head Office, three Regional Offices, and two vendors, evaluating compliance with 12 human rights parameters, including:

- Prohibition of child and forced labour
- Non-discrimination and equal opportunity
- Freedom of association and collective bargaining
- Equal remuneration and fair wages
- Safe working conditions, social security, and data privacy
- Mental health support and career growth opportunities

3 Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, additionally, the Company is proactively making accessibility improvements while opening or relocating branches, including:

- Preference for ground-floor locations
- Feasibility assessment for installing ramps and railings
- Persons with Disabilities (PWD) accessible washrooms.
- Branch layouts designed for unobstructed access and movement wherever feasible

4 Details on assessment of value chain partners

As part of the third-party Human Rights Due Diligence (HRDD) process, Mahindra Finance engaged with select value chain partners to assess their alignment with human rights and labour practices.

A structured document checklist was shared in advance, covering key areas such as statutory compliance, workplace safety, grievance mechanisms, and workforce-related policies.

Virtual interviews were conducted with vendor representatives to understand their working conditions, policy implementation, and alignment with MMFSL's expectations.

5 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above

The HRDD assessment was ongoing as on March 31 2025. Implementation of recommendations will be undertaken in FY2026.

Preliminary findings have been incorporated into the FY2026 sustainability budget, including proposed training programs on key sustainability topics such as human rights, grievance redress, and occupational health and safety.

P6 Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1 **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24$ (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	645.30	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	**645.30**	**-**
From non-renewable sources		
Total electricity consumption (D)	65,279.90#	63,474.97
Total fuel consumption (E)	**48,039.16**	**30,507.46**
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	**1,13,319.06**	**93,981.97**
Total energy consumed (A+B+C+D+E+F) (GJ)	**1,13,964.36**	**93,981.97**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	7.08	6.93
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) (GJ/ per ₹ turnover)	146.49*	141.23
Energy intensity in terms of physical output		
Energy intensity (optional) - the relevant metric may be selected by the entity (GJ per employee)	3.97	3.36
Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	SGS India	DNV Business Assurance India

Note:

$ Based on updated guidelines and frameworks released in FY2025, the Company has re-evaluated the reported data for FY2024 and the updated numbers are reflected in this table.

The total energy consumption was calculated based on the Company's operations and the conversion factors were referred from DEFRA 2024.

* As per the International Monetary Fund (IMF) and industry guidance notes on BRSR by FICCI and CII, the implied Purchasing Power Parity (PPP) conversion rate for India in 2025 was applied to adjust Indian revenue in USD (PPP-adjusted).

2 **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable. However current legislations related to energy efficiency are followed across all branches for potential energy saving through measures like installation/replacement of energy efficient electrical fittings like LED's, 5 star rated AC's and BLDC motor fans.

3 **Provide details of the following disclosures related to water, in the following format:**

S. No.	Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
	Water withdrawal by source (in kilolitres)		
i	Surface water	NA	1,59,491.70$
ii	Groundwater	NA	NA
iii	Third party water	8,301.80	10,099.90
iv	Seawater / desalinated water	NA	NA
v	Other	NA	NA
	Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**8,301.80**	**1,69,591.64**
	Total volume of water consumption (in kilolitres)	**8,301.80#**	**10,099.90**
	Water intensity per rupee of turnover (Water consumed / revenue from operations) (KL / ₹) (KL/ per ₹ turnover)	0.52 per Cr. Of turnover	0.74 per Cr of turnover
	Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	10.67* KL per million USD	26.21 KL per million USD
	Water intensity in terms of physical output	-	-
	Water intensity (optional) - the relevant metric may be selected by the entity (KL per employee)	0.29	6.06
	Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	SGS India	DNV Business Assurance India

Remark:

All water withdrawn is sourced from third parties and primarily used for drinking and flushing purposes. As the Company's operations do not involve water-intensive activities, overall water consumption remains minimal.

* As per the International Monetary Fund (IMF) and industry guidance notes on BRSR by FICCI and CII, the implied Purchasing Power Parity (PPP) conversion rate for India in 2025 was applied to adjust Indian revenue in USD (PPP-adjusted).

$ The surface water for FY2023-24 has been estimated based on a per capita thumb rule . The water withdrawal data has been updated in FY2024-25 based on actual consumption and incorporated under the "Third Party Water" source.

4 Provide the following details related to water discharged:

Parameter		FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)			
To Surface water	No treatment	-	-
	With treatment - please specify level of treatment		
To Groundwater	No treatment	-	-
	With treatment - please specify level of treatment		
To Seawater	No treatment	-	-
	With treatment - please specify level of treatment		
Sent to third-parties	No treatment	-	-
	With treatment - please specify level of treatment		
Others	No treatment	1,52,104.70	159.491.7
	With treatment - please specify level of treatment		
Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		SGS India	DNV Business Assurance India

Note:

- Water discharged is limited to wash water used solely for flushing purposes. No harmful chemicals are used, ensuring the discharged water does not pose environmental or health risks.
- Water is discharged to "other" destination as shown in the table above. The definition of "other" used for the purpose of the BRSR is through sewer infrastructure provided by the municipality or equivalent.

5 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation

No

6 Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
NOx	g/kW-hr	0.49	2.10
SOx		-	-
Particulate Matter (PM)	g/kW-hr	0.13	0.44
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
SO_2	g/kW-hr	0.20	<1
Non-Methane Hydrocarbon	g/kW-hr	-	<0.001
Carbon Monoxide	g/kW-hr	0.53	0.63
Others - please specify		-	
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		SGS India	DNV Business Assurance India

Note: At MMFSL, stack monitoring is conducted at 15 identified locations. Emissions of NOx, SOx, and other air pollutants are assessed based on the average of individual emissions measured at each site, ensuring comprehensive compliance and reporting.

7 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24$ (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF_3, if available)	Metric tonnes of CO_2 equivalent	4,022.02	4,285.05
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF_3, if available)	Metric tonnes of CO_2 equivalent	13,182.91	14,511.08
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes/ turnover	1.07 tonnes per Cr of turnover	1.38 tonnes per Cr of turnover
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes/ million USD	22.11# tonnes per million USD	28.24 tonnes per million USD
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	-	-
Total Scope 1 and Scope 2 emission intensity (optional) - per ton of production	Tones Co_2e/ Employee	0.60 tonnes/employee	0.67 tonnes/employee
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		The core parameters have been subjected to reasonable assurance, while non-core parameters have undergone limited assurance. Both levels of assurance have been conducted by SGS India Private Limited, an independent third-party assurance provider.	DNV Business Assurance India

Note:

- Emissions from diesel and petrol (mobile combustion) were calculated using methodologies aligned with the GHG Protocol and DEFRA emission factors.
- For Scope 2, a pan-India assessment boundary was considered, and location-based emissions were reported as total Scope 2 emissions.
- Emissions from purchased electricity under green tariffs were accounted for separately under market-based Scope 2 emissions.

As per the International Monetary Fund (IMF) and industry guidance notes on BRSR by FICCI and CII, the implied Purchasing Power Parity (PPP) conversion rate for India in 2025 was applied to adjust Indian revenue in USD (PPP-adjusted).

$ Based on updated guidelines and frameworks released in FY2025, the Company has re-evaluated the reported data for FY2024 and the updated numbers are reflected in this table.

8 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, Mahindra Finance has deployed some technological solutions which helps it reduce the energy consumption and therefore Scope 2 emissions. Some of the solutions have been described below:

- The installation of higher efficiency Air Conditioners i.e., previously owned 3-star fixed speed ACs are now replaced with 5-star inverter ACs at branches,
- All the new procurement of ACs is 5-star inverter ACs.
- Replacing the conventional fans with BLDC fans.
- Green tariff was procured for the corporate office in Kurla, Mumbai from November 2024 to March 2025 in the financial year.

9 Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.02	Not Applicable
E-waste (B)	2.97	43.87
Bio-medical waste (C)	Not Applicable	Not Applicable
Construction and demolition waste (D)	Not Applicable	Not Applicable
Battery waste (E)	Not Applicable	Not Applicable
Radioactive waste (F)	Not Applicable	Not Applicable
Other Hazardous waste. Please specify, if any. (G)	Not Applicable	Not Applicable
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	2.33	34.49
Total (A+B + C + D + E + F + G + H)	**5.32**	**78.36**
Waste intensity per rupee of Turnover (Total waste generated / Revenue from operations)	**0.00 per Cr of turnover**	**0.01 per Cr. of turnover**
Waste intensity per rupee of turnover adjusted Purchasing for Power Parity (PPP) (Total Revenue waste from generated / operations adjusted for PPP)	**0.01 tonnes per million USD#**	**0.01 tonnes per million USD**
Waste intensity in terms of physical output		
Waste intensity (optional) – the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i Recycled	5.32	78.36
ii Reused	-	-
iii Other recovery operations	-	-
Total	**5.32**	**78.36**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	NA	NA
i. Incineration		
ii. Landfill		
iii. Other disposal methods		
Total		
Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	SGS India	DNV Business Assurance India

Note:

- The electronic waste reported in the BRSR for FY2024 had a value of 43.87 MT due to a large-scale recycling of electronic waste in the MMFSL head office that had accumulated over multiple years. The data shown in the BRSR for FY2025 has a value of 2.97 MT, which is more indicative of the typical annual generation of electronic waste by the company.

As per the International Monetary Fund (IMF) and industry guidance notes on BRSR by FICCI and CII, the implied Purchasing Power Parity (PPP) conversion rate for India in 2025 was applied to adjust Indian revenue in USD (PPP-adjusted).

- The non hazardous waste reported in FY 2023-24 specifically, wood, plastic and furniture had been accumulated and disposed prior to the shift of the Mahindra Finance corporate office. The data shown in BRSR for FY 2024-25 has a value of 2.33 MT, which is more indicative of the typical annual generation of non-hazardous waste by the Company.

10 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Being into financial service sector, the Company does not generate any hazardous and toxic chemicals waste.

As a large office set-up consisting of 1365 locations, the Company generates and recycles its electronic waste (e-waste) and paper waste every year. The waste generated is recycled through government registered vendors and the same is validated by an external agency.

11 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1			
2	Not applicable		
3			

12 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

S. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable as the Company is a financial services company and does not manufacture any products						

13 Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company is in compliance with all applicable environmental laws, regulations, and guidelines in India. Air emissions from DG sets are monitored as per the Air (Prevention and Control of Pollution) Act requirements. The wastewater is also disposed of through authorised municipal channels.

A legal compliance register is maintained and reviewed on a quarterly basis to ensure ongoing adherence to environmental regulations.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

LEADERSHIP INDICATORS

1 Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Not Applicable, please see note below table.

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area -

(ii) Nature of operations -

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter		FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		Not Applicable	Not Applicable
To Surface water			
To Groundwater			
To Seawater			
Sent to third-parties			
Others			
Total volume of water withdrawal (in kilolitres)			
Total volume of water consumption (in kilolitres)			
Water intensity per rupee of turnover (Water consumed / turnover)			
Water intensity (optional) - the relevant metric may be selected by the entity			
Water discharge by destination and level of treatment (in kilolitres)			
To Surface water	No treatment		
	With treatment - please specify level of treatment		
To Groundwater	No treatment		
	With treatment - please specify level of treatment		
To Seawater	No treatment		
	With treatment - please specify level of treatment		
Sent to third-parties	No treatment		
	With treatment - please specify level of treatment		
Others	No treatment		
	With treatment - please specify level of treatment		
Total water discharged (in kilolitres)			
Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		Yes - SGS India	Yes - DNV Business Assurance India

Note: All water withdrawn is sourced from third parties and primarily used for drinking and flushing purposes. As the Company's operations do not involve water-intensive activities, overall water consumption remains minimal.

2 Please provide details of total Scope 3 emissions & its intensity, in the following format

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	7,758.45	15,583.88
Total Scope 3 emissions per rupee of turnover	Metric tonnes per turnover	0.48 tCO2e per Cr of turnover	1.15 tCO2e per Cr. of turnover
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Tonnes Emission per employee	0.27 tonnes/ employee	0.56 tonnes/ per employee
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external	-	SGS India	DNV Business Assurance India

Note:

- Scope 3 categories including Purchased goods & services (paper consumption), Waste generated in operations and Business Travel. Employee Commuting will be considered in FY 26.
- As per the International Monetary Fund (IMF) and industry guidance notes on BRSR by FICCI and CII, the implied Purchasing Power Parity (PPP) conversion rate for India in 2025 was applied to adjust Indian revenue in USD (PPP-adjusted).

3 With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities

Not Applicable

4 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
A	Energy Efficient Technology: The Company's adoption of energy-efficient technologies has been highlighted under sections P2 (E1), P6(E8).	The Company's adoption of energy-efficient technologies is detailed under Principle 2 (E1) and Principle 6 (E8) of this BRSR. A comprehensive list of technologies adopted in FY2025—including BLDC fans, energy-efficient HVAC systems, and 5-star BEE-rated equipment—is provided under Principle 2, Question 1.	Implementation of these technologies has resulted in a 20% reduction in energy consumption from the grid compared to baseline values declared in FY23.
B	Green Tariff Programme	In November 2024, Mahindra Finance initiated a Green Tariff Programme for the third floor of its Corporate Office at Agasthya Corporate Park, Kurla. The Company intends to expand the programme to other offices, subject to the prevailing regulatory landscape and approvals from the respective State DISCOMs.	The programme has led to ~1 % of total energy requirements coming from green energy sources.

5 Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Mahindra Finance has a formal Business Continuity Policy aimed at safeguarding the interests of its customers, employees, and stakeholders. The policy defines procedures for identifying, monitoring, reporting, and responding to potential disruptions. It focuses on ensuring operational resilience and outlines contingency measures for significant or prolonged interruptions. The framework also includes internal controls, communication protocols, and restoration strategies to minimize downtime and protect critical functions. Regular reviews and simulations are conducted to validate preparedness and enhance response capabilities.

6 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant adverse impacts to the environment have arisen from the value chain as identified in discussion with the value chain partners and previous assessments of the vendors undertaken in FY2024 and FY2025.

7 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

None. Due to the nature of MMFSL's operations—primarily office-based financial services—there are no environmentally intensive or critical value chain partners.

Major suppliers of products and services are evaluated during onboarding for compliance with applicable environmental regulations and MMFSL's internal policies. However, a dedicated exercise to assess environmental impacts at vendor sites has not been undertaken, as such impacts are not considered material risks to the business at this stage.

8 How many Green Credits have been generated or procured.

Not Applicable

a. By the listed entity

b. By the top ten (int terms of value of purchase and sales, respectively) value chain partners

P7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1a Number of affiliations with trade and industry chambers/ associations.

Mahindra Finance maintains affiliations with several trade and industry chambers and associations to foster collaborative engagement across the financial services sector.

These affiliations enable the Company to:

- Access industry knowledge and best practices
- Build strategic networks and improve brand visibility
- Participate in policy advocacy and sectoral consultations
- Contribute to business-enabling reforms that also support broader societal goals

These platforms serve as vital forums for advocacy, education, marketing, and collaborative problem-solving.

1b List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to, in the following format

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Finance Industry Development Council (FIDC)	National
2	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
3	Confederation of Indian Industry (CII)	National
4	Bombay Chamber of Commerce and Industry	National
5	IITB-Washington University	International
6	IMC Chamber of Commerce & Industry	National
7	Assocham	National
8	United Nations Global Compact Network	International

2 Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

There is no action taken or underway against Mahindra Finance on any issues related to anti-competitive conduct.

S. No.	Name of authority	Brief of the case	Corrective action taken
	No material instances reported	-	-

LEADERSHIP INDICATORS

1 Details of public policy positions advocated by the entity

Not Applicable

P8 Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
		No SIA projects undertaken in the current financial year				

2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
		No R&R program is being undertaken in the current financial year				

3 Describe the mechanisms to receive and redress grievances of the community.

The Corporate ombudsman is the focal point responsible for addressing human rights.

Contact details for the same are available in our Human Right's Policy.

Policy Link- https://www.mahindrafinance.com/wp-content/uploads/2023/07/Human-Rights-Policy.pdf

4 Percentage of input material (inputs to total inputs by value) sourced from suppliers

Category	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	15.22%	13.15%
Sourced directly from within the district and neighbouring districts	100%	100%

5 Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Rural	1.54%	49%
Semi-urban	30.47%	6%
Urban	34.30%	22%
Metropolitan	33.69%	23%

Note: The job creation data methodology has been updated in FY2025 to align with Reserve Bank of India (RBI) classification process. The data in the previous year was based on an internal classification of cities and towns unique to MMFSL. The numbers are therefore changed significantly compared to the previous year.

LEADERSHIP INDICATORS

1 Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Nil	-

2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

State	Aspirational District	Amount spent (In ₹)
Andhra Pradesh	Visakhapatnam	1,01,215
Assam	Barpeta	10,121
Bihar	Nawada	10,121
Chhattisgarh	Kanker	40,486
Chhattisgarh	Kondagaon	10,121
Jharkhand	East Singhbhum	91,093
Jharkhand	Garhwa	10,121
Jharkhand	Gumla	20,243
Jharkhand	Ranchi	10,121
Jharkhand	West Singhbhum	40,486
Madhya Pradesh	Vidisha	50,607
Maharashtra	Osmanabad	1,61,943
Rajasthan	Karauli	20,243
Uttar Pradesh	Fatehpur	91,093
Uttar Pradesh	Siddharthnagar	1,41,700
Uttarakhand	Haridwar	40,486
Uttarakhand	Udham Singh Nagar	40,486
Gujarat	Dohad	1,53,08,132

State	Aspirational District	Amount spent (In ₹)
Bihar	Muzaffarpur	56,03,628
Bihar	Begusarai	32,78,979
Bihar	Gaya	29,43,882
Gujarat	Dohad	42,10,526
Andhra Pradesh	Visakhapatnam	3,55,452
Bihar	Begusarai	2,79,858
Bihar	Gaya	1,20,629
Bihar	Jamui	86,853
Bihar	Khagaria	5,66,150
Bihar	Muzaffarpur	2,02,656
Bihar	Sheikhpura	83,636
Bihar	Sitamarhi	2,58,949
Jammu And Kashmir	Baramulla	14,21,809
Jammu And Kashmir	Kupwara	4,27,830
Jharkhand	East Singhbhum	57,902
Jharkhand	Garhwa	1,12,587
Jharkhand	Gumla	1,76,922
Jharkhand	Ranchi	3,63,494
Jharkhand	Simdega	69,160
Jharkhand	West Singhbhum	2,26,782
Kerala	Wayanad	2,78,250
Maharashtra	Gadchiroli	64,335
Maharashtra	Osmanabad	51,468
Maharashtra	Washim	80,419
Odisha	Kalahandi	1,49,579
Odisha	Koraput	3,23,285
Odisha	Rayagada	4,58,389
Punjab	Moga	2,60558
Rajasthan	Karauli	64,335
Tamil Nadu	Virudhunagar	6,54,611
Uttar Pradesh	Sonbhadra	78,811
Uttarakhand	Udham Singh Nagar	11,41,951
Andhra Pradesh	Visakhapatnam	1,16,92,468
Punjab	Moga	97,50,737
Uttar Pradesh	Shravasti	92,39,755

3	(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No) (b) From which marginalised /vulnerable groups do you procure? (c) What percentage of total procurement (by value) does it constitute?	Mahindra Finance being a financial service provider, the entity does not have any major procurement for its services. However, it is the endeavour of Mahindra Finance to procure locally, sustainably and from marginalised / vulnerable suppliers, MSME's for requirements in areas like branch assets. We give preference to local suppliers of goods and services to help create economic opportunities locally. Mahindra Finance is currently not monitoring expenses based on marginalised / vulnerable groups. However, 15.22% of our procurement comes from local sources and communities.

4 Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/ No)	Benefit shared (Yes/ No	Basis of calculating benefit share
Not Applicable				

5 Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6 Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	"Dhan Samvaad"- CSR Flagship Program	2,07,700	100%
2	Saksham Scholarship Project	2,964	100%
3	E/Auto Rickshaw driving training for women	550	100%
4	Employability skills training project	210	100%
5	Nanhi Kali	14,630	100%
6	Mahindra Pride Classroom (MPC)	47,800	100%
7	Mahindra Pride Skill centers (MPSC)	1,000	100%
8	Project Hariyali	2,470	100%
9	Water Conservation Project	2,800	100%
10	Small Seed Contribution	179	100%

P9 Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

1 Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Customers can contact the Company via a dedicated toll-free number, email address, or through social media channels. Each branch maintains a Complaint Register to record customer complaints. All complaints received through the aforementioned channels are registered on the Service Portal and assigned to the respective teams or Single Points of Contact (SPOCs) for resolution. Once a complaint is resolved, feedback is collected from the customer in the form of an SMS.

2 Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	

3 Number of consumer complaints in respect of the following:

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	0	0		0	0	

4 **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5 **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes. Mahindra Finance has established a robust framework through its Data Privacy Policy and Information & Cyber Security Policy, which collectively govern the collection, processing, storage, and protection of personal and sensitive information.

These policies are aligned with applicable privacy laws and regulations, including the Aadhaar Act, and are designed to ensure the confidentiality, integrity, and availability of customer and stakeholder data.

Key controls include:

- Explicit customer consent mechanisms
- Data masking protocols
- A structured Data Loss Prevention (DLP) framework

The Company also maintains an Information Security Management System (ISMS) in accordance with industry best practices.

Policy link:

https://www.mahindrafinance.com/wp-content/uploads/2024/11/Aadhaar-Privacy-Policy-V1.0.pdf

6 **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

There were no issues identifies and thus no corrective actions taken.

7 **Provide the following information relating to data breaches:**

a	Number of instances of data breaches	0
b	Percentage of data breaches involving personally identifiable information of customers	0
c	Impact, if any, of the data breaches	NA

LEADERSHIP INDICATORS

1 **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Information on Mahindra Finance's products and services is available through the following platforms:

- Official website: https://www.mahindrafinance.com
- Mobile applications: Mahindra Finance App (available on Google Play Store and Apple App Store)
- Call Centre: 1800 233 1234
- Branch network: Information is accessible at all Mahindra Finance branches

2 **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Mahindra Finance undertakes multiple initiatives to educate consumers on the responsible use of its products and services. These include:

- Multi-language SMS communication
- IVR messaging
- Informative videos
- In-app notifications

The Company also ensures compliance with SEBI-mandated disclosure and risk-labelling guidelines for all applicable financial products.

3 **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Mahindra Finance has a communication framework in place to inform consumers in case of service disruptions. Communication modes are selected based on the scale of disruption and may include:

- Letters to consumers
- Branch-level communication
- SMS, emails, and in-app notifications
- Website and social media posts
- Digital and offline advertising (for large-scale disruptions)

4 **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, the Company displays its services information over and above what is mandated as per local laws through brochures, leaflets and the website. Information related to our products is displayed/ available at all our branches. Product information is also available on our website.

Customers can also access information related to their loans on our Mobile App.

We conduct Market Research from time to time to understand the pulse of our customers, their satisfaction with our products & services as well as grievances. Few of the Research Projects that we undertake are:

- Monthly Net Promoter Score (NPS) for our customers
- UI/UX Research for our Website & Apps
- Customised Research for our Products & Services

5 **Provide the following information relating to data breaches**

- Number of instances of data breaches along-with impact: No data privacy and Cyber security breaches from information-security perspective.
- Percentage of data breaches involving personally identifiable information of customers: No data privacy breaches involving personally identifiable information from information-security perspective.

SGS India Private Limited
4B, Adi Shankaracharya Marg,
Vikhroli (West), Mumbai – 400083
+91 080 6938 8888
+91 22 6640 8888
www.sgs.com

INDEPENDENT ASSURANCE STATEMENT

Independent Assurance Statement to Mahindra & Mahindra Financial Services Limited on its BRSR Report for the FY 2024-25

The Board of Directors,

Mahindra & Mahindra Financial Services Limited ,
Mahindra Towers,
3rd Floor, Dr. G.M. Bhosale Marg,
Worli, Mumbai 400018

Nature of the Assurance

SGS India Private Limited (hereinafter referred to as 'SGS India') was engaged by Mahindra & Mahindra Financial Services Limited (the 'Company' or 'MMFSL') to conduct an independent assurance of the Company's Business Responsibility and Sustainability Reporting (BRSR) (the 'Report') pertaining to the reporting period of April 1, 2024, to March 31, 2025. SGS India has conducted a Reasonable level of Assurance for BRSR core and Limited level for Non-core parameters, including essential and leadership indicators and all disclosures made thereunder. This assurance engagement was conducted in accordance with "International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410.

Reporting Framework

The Report has been prepared following the

1) BRSR Core–Framework for assurance and ESG disclosures for value chain (SEBI vide Circular No.SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122) dated July 12, 2023
2) MASTER CIRCULAR (SEBI vide Circular No.SEBI/HO/CFD/PoD2/CIR/P/2023/120) dated July 11, 2023
3) Greenhouse Gas Protocol standard
4) Industry Standards on Reporting of BRSR Core (SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177) dated December 20, 2024

Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all Mahindra & Mahindra Financial Services Limited's Stakeholders.

Responsibilities

The information in the report and its presentation are the responsibility of the management of the Company. SGS India has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, and statements within the defined scope of assurance, aiming to inform the management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific scope. The Statement shall not be used for interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope.

Assurance Standard

SGS has conducted a Reasonable level of Assurance for the BRSR report (core parameters under 9 ESG Attributes a Limited level of assurance for the remaining BRSR parameters, including essential and leadership indicators. This engagement was

SGS India Private Limited
4B, Adi Shankaracharya Marg,
Vikhroli (West), Mumbai – 400083
+91 080 6938 8888
+91 22 6640 8888
www.sgs.com

performed in accordance with the International Standard on Assurance Engagement (ISAE) 3000 (revised) and ISAE 3410 (Assurance Engagements other than Audits or Reviews of Historical Financial Information). Our evidence-gathering procedures were designed to obtain a 'Reasonable' level of assurance, which is a high level of assurance in accordance with ISAE 3000(revised) standard but is not absolute certainty. It involves obtaining sufficient appropriate evidence to support the conclusion that the information presented in the report is fairly stated and is free from material misstatements.

Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Mahindra & Mahindra Financial Services Limited, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance.

Scope of Assurance

The assurance process involved assessing the quality, accuracy, and reliability of BRSR Indicators (KPIs) within the report for the period April 1, 2024, to March 31, 2025. The reporting scope and boundaries include Mahindra & Mahindra Financial Services Limited 's spread across the different states of India.

Assurance Methodology

The assurance comprised a combination of desktop review, interaction with the key personnel engaged in the process of developing the report, on-site visits, and remote verification of data. Specifically, SGS India undertook the following activities:

- Assessment of the suitability of the applicable criteria in terms of its comprehensiveness, reliability, and accuracy.
- Interaction with key personnel responsible for collecting, consolidating, and calculating the BRSR core KPIs, BRSR non-core indicators and assessing the internal control mechanisms in place to ensure data quality.
- Application of analytical procedures and verification of documents on a sample basis for the compilation and reporting of the KPIs.
- Assessing the aggregation process of data at the Head Office level.
- Critical review of the report regarding the plausibility and consistency of qualitative and quantitative information related to the KPIS.

Limitations

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data review outside the operational sites as mentioned in the reporting boundary.
- Validation of any data and information other than those presented in "Findings and Conclusion."
- The assurance engagement considers an uncertainty of ±5% based on the materiality threshold for Assumption/ estimation/measurement errors and omissions.
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the Report.
- Mapping of the Report with reporting frameworks other than those mentioned in the Reporting Criteria above.

SGS India verified data on a sample basis; the responsibility for the authenticity of the data entirely lies with the Company. The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions. SGS India has not been involved in the evaluation or assessment of any financial data/performance of the

SGS

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+91 22 6640 8888
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company. Our opinion on financial indicators is based on the third-party audited financial reports of the Company. SGS India does not take any responsibility for the financial data reported in the audited financial reports of the Company.

Findings and Conclusions:

BRSR Core Indicators:

Based on the procedures we have performed and the evidence we have obtained, we are satisfied that the information presented by the Company in its report, on the Core Indicators (Annexure A) is complete, accurate, reliable, has been fairly stated in all material respects, and is prepared in line with the BRSR requirements

BRSR Non-Core Indicators:

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the data reported (Annexure B) in the BRSR report are not prepared, in all material respects, in accordance with the reporting criteria

For and on behalf of SGS India Private Limited

SGS India Private Ltd. SGS Ashwini Kumar **Ashwini K. Mavinkurve,** Head – ESG & Sustainability Services, SGS India Pune, India 25th June 2025	A.M.Joshi **Abhijit Joshi** Technical reviewer– ESG & Sustainability Services, SGS India Pune, India	BEasau **Blessy Sen** Lead Verifier – ESG & Sustainability Services, SGS India Mumbai, India **Team Member:** Ms. Namrata Kamble ,Ms. Vaibhavi Kulkarni & Mr. Chirag Bafna

Annexure A

The list of BRSR Core Indicators that were verified within this assurance engagement is given below:

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S.No.	BRSR Core Attributes	BRSR Core Indicators
1	Greenhouse gas (GHG) footprint	≈ Total Scope 1 emissions ≈ Total Scope 2 emissions ≈ GHG Emission Intensity (Scope 1 +2)
2	Water footprint	≈ Total water Extraction ≈ Total water consumption ≈ Water consumption intensity ≈ Water Discharge by destination and levels of Treatment
3	Energy footprint	≈ Total energy consumed ≈ % of energy consumed from renewable sources ≈ Energy intensity
4	Embracing circularity	≈ Plastic waste ≈ E-waste ≈ Bio-Medical Waste ≈ Construction and Demolition waste ≈ Battery waste ≈ Radioactive Waste ≈ Other hazardous waste ≈ Other non-hazardous waste ≈ Total waste generated ≈ Waste intensity ≈ Total waste recovered through recycling, re-using or other recovery operations ≈ Total waste disposed by nature of disposal method
5	Employee well-being and safety	≈ Spending on measures towards well-being of employees as a % of total revenue from operations of the Company ≈ Details of safety related incidents for employees
6	Enabling gender diversity in business	≈ Gross wages paid to females as % of total wages paid ≈ Complaints on POSH
7	Enabling inclusive development	≈ Input material sourced from MSMEs/ small producers as % of total purchases directly sourced from MSMEs/ small producers and directly from within India ≈ Job creation in smaller towns - Wages paid to persons employed in smaller towns as % of total wage cost
8	Fairness in engaging with customers and suppliers	≈ Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events ≈ Number of days of accounts payable
9	Open-ness of business	≈ Concentration of purchases & sales done with trading houses, dealers, and related parties ≈ Loans and advances & investments with related parties

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Annexure B

The list of BRSR Report (Core + Non-Core) Indicators that were verified within this assurance engagement is given below:

Principles	Limited		
	Essential Indicators	Leadership Indicators	Core Indicators
Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.	-	-	8,9
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.	1	-	-
Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.	1,2, 3,4,5,8,9,1012,13	1,2,3,4,5	1(C),11
Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.	1,2		-
Principle 5: Businesses should respect and promote human rights.	1,2,3(a),4,5,6,7,8,9	-	3 (b),7
Principle 6: Businesses should respect and make efforts to protect and restore the environment.	6	2	1,3,4,7,9
Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.	-	-	-
Principle 8: Businesses should promote inclusive growth and equitable development.	-	6	4,5
Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner	3	-	7

Independent Auditor's Report

To the Members of
Mahindra & Mahindra Financial Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Mahindra & Mahindra Financial Services Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31st March 2025, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as the 'Standalone Financial Statements').

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements for the financial year ended 31st March 2025. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Impairment of loans and advances to customers (Refer Note 2.5 (ii) for material accounting policies and Note 49.2 for credit risk disclosures)	
As at 31st March 2025, the Company has reported gross loan assets of ₹ 1,19,673.02 crore against which an impairment loss of ₹ 3,459 crore has been recorded. The Company recognized impairment provision for loan assets based on the Expected Credit Loss ("ECL") approach laid down under 'Ind AS 109 - Financial Instruments'.	Our audit included assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following: • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions; • Considered the Company's accounting policies for estimation of Expected Credit Loss on loans and assessing compliance with the policies in terms of Ind AS 109;

Key Audit Matter	How our audit addressed the key audit matter
The estimation of ECL on financial instruments involves significant management judgement and estimates and the use of different modelling techniques and assumptions which could have a material impact on reported profits. Significant management judgement and assumptions involved in measuring ECL is required with respect to: • ensuring completeness and accuracy of the data used to create assumptions in the model. • determining the criteria for a significant increase in credit risk. • factoring in future economic assumptions techniques used to determine probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models and other historical data. **Disclosure** The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the ECL results. Further, disclosures to be provided as per RBI circulars with regards to Non-Performing Assets and provisions is also an area of focus. Considering the significance of the above matter to the overall financial statements and extent of management's estimates and judgements involved, it required significant auditor attention. Accordingly, we have identified this as a key audit matter.	• Obtained an understanding of the management's updated processes, systems and controls implemented in relation to impairment allowance process. • Accuracy of the computation of the ECL estimate including reasonableness of the methodology and assumption used to determine macro-economic overlays; • Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording, monitoring of the impairment loss recognized and staging of assets; • Assessed the critical assumptions and input data used in the estimation of Expected Credit Loss models for specific key credit risk parameters, such as the movement logic between stages, Exposure at default (EAD), probability of default (PD) or loss given default (LGD); • Evaluated the reports and working for the methodology used in the computation of Through The Cycle PD, Point In Time PD and LGD, among others; • Performed test of details over calculation of ECL, in relation to the completeness and accuracy of the data; • Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable; • Assessed the appropriateness and adequacy of the related presentation and disclosures of Note 49 "Financial risk management" disclosed in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.
Information Technology and General Controls	
The Company is highly dependent upon its Information Technology (IT) systems for carrying out its operations and owing to the significant volume of transactions that are processed daily basis as part of the operations, which impacts key financial accounting and reporting. The company has put in place the IT General Controls and application controls to ensure that the information produced by the Company is complete, accurate and reliable. Among other things, the Management also uses the information produced by the entity's IT systems for accounting and preparation and the presentation of the of the financial statements.	Our audit procedures for assessment of the IT systems and controls over financial reporting, which includes carrying out the key audit procedures, but were not limited to the following: • Obtained an understanding of the Company's key IT systems, IT General Controls which covered access controls, program/ system changes, program development and computer operations i.e., job processing, data/ system backup and incident management and application controls relevant to our audit.

Key Audit Matter	How our audit addressed the key audit matter
Since our audit strategy included focus on entity's key IT systems relevant to our audit due to their potential pervasive impact on the financial statements, we have determined the use of IT systems and related control environment for accounting and financial reporting as a key audit matter.	• Tested the design, implementation and operating effectiveness of the general IT controls over the key IT systems that are critical to financial reporting. This included evaluation of entity's controls to ensure segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being re-certified during the period of audit. • Tested application controls (automated controls), related interfaces and report logic for system generated reports relevant to the audit of loans, expenses, payroll, borrowings and investment among others, for evaluating completeness and accuracy and; • Tested compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would impact the controls or completeness and accuracy of data. • We have also relied on IS and other technology audits conducted during the year. • We have obtained management representations wherever considered necessary.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the preparation of other information. This other information comprises the information included in the Board's Report (including annexures thereto) and Management Discussion and Analysis ("MD&A") (collectively referred to as "Other Information"), but does not include the Standalone Financial Statements and our Auditor's Report thereon. The Other Information is expected to be made available to us after the date of this Auditors' Report.

   Our opinion on the Standalone Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

7. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

   When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The accompanying Standalone Financial Statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act, RBI Guidelines and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy

and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the Standalone Financial Statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

12. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to Standalone Financial Statements in place and the operating effectiveness of such controls based on our audit;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- Conclude on the appropriateness of Board of Directors and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Statements of the Company to express an opinion on the Standalone Financial Statements.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the financial year ended 31st March 2025 and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. These Standalone Financial Statements include the figures for the year ended 31st March 2024 which were audited by predecessor auditors who expressed an unmodified opinion as relevant on those Standalone Financial Statements vide their audit report dated 04th May 2024. Our opinion on the Standalone Financial Statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

17. As required by Section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its Directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

18. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

19. Further to our comments in Annexure I, as required by Section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying Standalone Financial Statements;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 17(g)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules");

c) the Standalone Financial Statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid Standalone Financial Statements comply with Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2025 from being appointed as a Director in terms of section 164(2) of the Act;

f) with respect to the adequacy of the internal financial controls with reference to Standalone financial statements of the Company as on 31st March 2025 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company, as detailed in Note 43 to the Standalone Financial Statements, has disclosed the impact of pending litigations on its financial position as at 31st March 2025;

ii. The Company, as detailed in Note 47 to the Standalone Financial Statements, has made provision as at 31st March 2025, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2025. The Company, as detailed in Note 18 to the Standalone Financial Statements, has regularly transferred the required amounts to the Investor Education and Protection Fund;

iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 36 (vi) to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 36 (vi), to the Standalone Financial Statements no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year in accordance with the provision of section 123 of the Act; and

vi. Based on our examination, which included test checks, the Company has used various accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility, which have operated throughout the year for all relevant transactions recorded in the software, except in respect of customer masters in two accounting software wherein earlier value is not retained, databases maintained in two accounting software where the audit trail feature was not enabled for part of the year and five accounting software where the audit trail feature at the database level (DML logs) was not enabled throughout the year to log any direct data changes. Based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with. In respect of the aforesaid masters and databases, in the absence of audit trail for the said period, the question of our commenting on whether the audit trail was tampered with, does not arise. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For M M Nissim & Co LLP
Chartered Accountants
Firm Regn. No. 107122W/W100672

Sanjay Khemani
Partner
Membership No.: 044577
UDIN: 25044577BMOBDL4882

Place: Mumbai
Date: 22nd April 2025

For M. P. Chitale & Co.
Chartered Accountants
Firm Regn. No.101851W

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 25041037BMLWNS7695

Place: Mumbai
Date: 22nd April 2025

Annexure I

referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Mahindra & Mahindra Financial Services Limited on the Standalone Financial Statements for the year ended 31st March 2025

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

i. a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right-Of-Use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b. During the year, the management has carried out physical verification of all the Property, Plant and Equipment. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of the immovable property disclosed in the financial statements included under PPE are held in the name of the Company.

d. The Company has not revalued any of its Property, Plant and Equipment (including Right- Of- Use assets) and intangible assets during the year and hence reporting under clause 3(i)(d) of the Order is not applicable to the Company.

e. According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at 31st March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

ii. a. The Company is engaged in providing financial services primarily into non-banking financial services (NBFC). Accordingly, it does not hold any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

b. The Company has a working capital limit in excess of ₹ 5 crore sanctioned by banks and financial institutions, in aggregate based on the security of loans (assets). We have observed reconciliation items in the quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions as compare to the books of accounts maintained by the Company. However, we have not carried out a specific audit of such statements. The details of such difference /reconciliation items are given in Note 17 of the standalone financial statements of the Company.

iii. a. The Company is a Non-Banking Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

b. The investments made, guarantee provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans are not, prima facie, prejudicial to the Company's interest.

c. The Company is a Non-Banking Financial Company ('NBFC'), registered under provisions of the Reserve Bank of India Act, 1934 and rules made thereunder and is regulated by various regulations, circulars and norms issued by the Reserve Bank of India including Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In respect of loans and advances in the nature of loans granted by the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular except for certain instances as below:

Overdue amount as on 31st March 2025

Particulars - Days past due	Total amount due (in crore)
1-30 days	435.98
31-90 days	743.42
More than 90 days	1,789.95
Total	**2,969.35**

d. According to the information and explanations given to us, the total amount which is overdue for more than 90 days in respect of loans and advances in the nature of loans given in the course of the business operations of the Company aggregates to ₹1,789.95 Crore as at 31st March 2025 in respect of 1,17,623 number of loans. Further, reasonable steps as per the policies and procedures of the Company have been taken for recovery of such principal and interest amounts overdue.

e. The Company is a Non-Banking Finance Company, and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

f. The Company has not granted any loans or advances in the nature of loans which are repayable on demand (except for the short-term loan) or without specifying any terms or period of repayment during the year. Accordingly, reporting under clause 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees or securities to the parties that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.

v. In our Opinion, the Company had complied with the directive issued by the Reserve Bank of India ('the RBI') with regards to the deposits accepted and amounts deemed to be deposits during the year. According to the information and explanation given to us, the provisions of sections 73 to 76 and any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), are not applicable to the Company being an non-banking financial company registered with the RBI. We are informed by the management that no order has been passed by the Company Law Tribunal or RBI or any Court or any other Tribunal against the Company in this regard.

vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

vii. a. In our opinion, and according to the information and explanations given to us, undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues, as applicable, have been regularly deposited with the appropriate authorities by the Company. As explained to us, the Company does not have any dues on account of Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax.

The following undisputed amounts payable in respect of Provident Fund are in arrears as at 31st March 2025, for a period of more than six months from the date they became payable:

Name of the Statute	Nature of the Dues	Amount due in ₹	Period to which the amount relates	Due Date	Date of payment (if paid)	Remarks
Provident Fund	PF Contribution	14,85,672	April 2022 - September 2024	Various due dates	-	Due to pending Aadhar Seeding of employees

b. According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Amount (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	435.51	FY 2013-14; 2016-17; 2017-18; 2018-19	Commissioner of Income Tax (Appeals)
VAT - Andhra Pradesh	Value Added Tax	1.24	FY 2008-09 to FY 2013-14	Andhra Pradesh High Court
VAT - Madhya Pradesh	Value Added Tax	0.07	FY 2013-14 to FY 2016-17	Appellate Authority of Commercial Taxes, Bhopal
VAT - Maharashtra	Value Added Tax	7.5	FY 2010-11; FY 2012-13 to FY 2015-16	Maharashtra Sales Tax Tribunal
VAT - Maharashtra	Value Added Tax	0.45	FY 2011-12	Deputy Commissioner of Sales Tax (Appeals)
Service Tax	Service Tax	93.66	FY 2007-08 to FY 2014-15	Customs, Excise & Service Tax Appellate Tribunal
GST - Uttar Pradesh	Goods & Services Tax	22.82	FY 2017-18 to FY 2019-20	Allahabad High Court, Lucknow Bench
GST - Maharashtra	Goods & Services Tax	0.85	FY 2017-18	Joint Commissioner of State Tax, Maharashtra

viii. According to the information and explanations given to us and as verified by us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), which have not been recorded in the books of accounts.

ix. a. According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or other borrowings or in the payment of interest thereon to any lender during the year.

b. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender or government or any government authority.

c. In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

d. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

e. According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on accounts of or to meet the obligation of its subsidiaries, joint ventures or associate.

f. According to the information and explanations given to us and as verified by us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate.

x. a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

b. According to the information and explanation given to us and as verified by us, the Company has utilized funds raised by way of private placement of debentures for the purpose for which they were raised and there was no preferential allotment or private placement of shares during the year.

xi. a. To the best of our knowledge according to the information and explanations given to us and as verified by us, no fraud by the Company has been noticed or reported during the year. Accordingly, to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit except for misappropriation cash by its employees or cheating and forgery of documents by its employees or by the customers of the Company identified by the management during the year, involving amounts aggregating to ₹ 6.33 Crore as mentioned in Note 42 of the accompanying standalone financial statements. The Company has initiated necessary action against the employees and customers connected to such instances including of their employment contracts and recovery of the amounts.

b. To the best of our knowledge, report under sub-section (12) of section 143 of the Companies Act has been filed by the predecessor Joint Statutory Auditor in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government on 12th June 2024.

c. We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, determining the nature, timing and extent of audit procedures.

xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act and all details have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

xiv. a. In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and the nature of its business.

b. We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

xv. According to the information and explanation given to us, and based on our examination of the records, the Company has not entered into any non-cash transactions with its Directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

xvi. a. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

b. During the year, the Company has not conducted any Non - Banking Financial activities without a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934. Further, Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.

c. According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

d. Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has 4 CICs forming part of the group.

xvii. The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

xxi. The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For M M Nissim & Co LLP
Chartered Accountants
Firm Regn. No. 107122W/W100672

Sanjay Khemani
Partner
Membership No.: 044577
UDIN: 25044577BMOBDL4882

Place: Mumbai
Date: 22nd April 2025

For M. P. Chitale & Co.
Chartered Accountants
Firm Regn. No.101851W

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 25041037BMLWNS7695

Place: Mumbai
Date: 22nd April 2025

Annexure II

To the Independent Auditor's Report of even date to the members of Mahindra & Mahindra Financial Services Limited on the Standalone Financial Statements for the year ended 31st March 2025

Independent Auditor's Report on the internal financial controls with reference to the Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

(Referred to in paragraph 17(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In conjunction with our audit of the standalone financial statements of **Mahindra & Mahindra Financial Services Limited** ('the Company') as at and for the year ended **31st March 2025**, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Board of Director's Responsibilities for Internal Financial Controls

2. The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31st March 2025, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For M M Nissim & Co LLP
Chartered Accountants
Firm Regn. No. 107122W/W100672

Sanjay Khemani
Partner
Membership No.: 044577
UDIN: 25044577BMOBDL4882

Place: Mumbai
Date: 22nd April 2025

For M. P. Chitale & Co.
Chartered Accountants
Firm Regn. No.101851W

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 25041037BMLWNS7695

Place: Mumbai
Date: 22nd April 2025

Standalone Balance Sheet

as at 31st March 2025

(₹ in crore)

Particulars	Note	As at 31st March 2025	As at 31st March 2024
ASSETS			
Financial Assets			
a) Cash and cash equivalents	3	1,666.56	311.07
b) Bank balance other than (a) above	4	3,869.31	2,955.99
c) Derivative financial instruments	5	30.95	-
d) Receivables			
- Trade receivables	6	53.02	24.74
e) Loans	7	116,214.02	99,195.18
f) Investments	8	10,400.48	9,650.82
g) Other financial assets	9	247.53	228.83
		132,481.87	**112,366.63**
Non-financial Assets			
a) Current tax assets (Net)		601.68	609.78
b) Deferred tax assets (Net)	10 (i)	640.99	691.08
c) Property, plant and equipment	11 (a)	876.38	811.11
d) Capital work-in-progress	11 (b)	0.52	0.15
e) Intangible assets under development	12 (a)	65.10	105.10
f) Other Intangible assets	12 (b)	172.89	14.61
g) Other non-financial assets	13	708.75	560.75
		3,066.31	**2,792.58**
Total Assets		**135,548.18**	**115,159.21**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
a) Derivative financial instruments	14	390.05	335.27
b) Payables	15		
I) Trade payables			
i) total outstanding dues of micro enterprises and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,208.56	1,459.47
II) Other payables			
i) total outstanding dues of micro enterprises and small enterprises		2.71	2.80
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		17.62	62.62
c) Debt securities	16	26,204.83	27,697.03
d) Borrowings (Other than debt securities)	17	69,734.92	54,467.22
e) Deposits	18	11,404.15	7,544.18
f) Subordinated liabilities	19	5,529.57	4,270.15
g) Other financial liabilities	20	790.60	687.92
		115,283.01	**96,526.66**
Non-Financial Liabilities			
a) Current tax liabilities (net)		69.73	119.26
b) Provisions	21	217.04	205.13
c) Other non-financial liabilities	22	166.17	150.67
		452.94	**475.06**
EQUITY	23		
a) Equity share capital		246.98	246.88
b) Other equity		19,565.25	17,910.61
		19,812.23	**18,157.49**
Total Liabilities and Equity		**135,548.18**	**115,159.21**

The accompanying notes form an integral part of the standalone financial statements. 1 to 58

In terms of our report attached.
For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No: 044577

For M. P. Chitale & Co.
Chartered Accountants
Firm's Registration No: 101851W

Ashutosh Pednekar
Partner
Membership No: 041037

Mumbai
22nd April 2025

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Mumbai
22nd April 2025

Standalone Statement of Profit and Loss

for the year ended 31st March 2025

(₹ in crore)

Particulars	Note	Year ended 31st March 2025	Year ended 31st March 2024
Revenue from operations			
i) Interest income	24	15,331.41	13,108.76
ii) Dividend income		15.46	2.89
iii) Rental income		153.45	115.46
iv) Fees, charges and commission income	25	510.59	174.67
v) Net gain on fair value changes	26	6.14	5.25
vi) Net gain on derecognition of financial instruments under amortized cost category		1.90	-
I Total revenue from operations		**16,018.95**	**13,407.03**
II Other income	27	55.74	155.39
III Total income (I+II)		**16,074.69**	**13,562.42**
Expenses			
i) Finance costs	28	7,898.30	6,426.94
ii) Fees and commission expense		97.84	109.90
iii) Impairment on financial instruments	29	1,617.86	1,822.79
iv) Employee benefits expenses	30	1,903.13	1,712.63
v) Depreciation, amortization and impairment	31	273.42	228.71
vi) Others expenses	32	1,136.87	905.98
IV Total expenses		**12,927.42**	**11,206.95**
V Profit before exceptional items and tax (III-IV)		**3,147.27**	**2,355.47**
VI Exceptional items		-	-
VII Profit before tax (V+VI)		**3,147.27**	**2,355.47**
VIII Tax expense :	10 (ii)		
(i) Current tax		779.45	664.93
(ii) Deferred tax		22.78	(69.08)
		802.23	**595.85**
IX Profit for the year (VII-VIII)		**2,345.04**	**1,759.62**
X Other Comprehensive Income (OCI)			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) on defined benefit plans		(9.99)	(6.64)
- Net gain / (loss) on equity instruments through OCI		84.26	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	10 (iii)	(18.69)	1.67
Subtotal (A)		**55.58**	**(4.97)**
(B) (i) Items that will be reclassified to profit or loss			
- Net gain / (loss) on debt instruments through OCI		96.49	70.58
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		(62.23)	(3.39)
(ii) Income tax relating to items that will be reclassified to profit or loss		(8.62)	(16.91)
Subtotal (B)		**25.64**	**50.28**
Other Comprehensive Income (A+B)		**81.22**	**45.31**
XI Total Comprehensive Income for the year (IX+X)		**2,426.26**	**1,804.93**
XII Earnings per equity share (face value ₹ 2/- per equity share)	33		
Basic (₹)		18.99	14.26
Diluted (₹)		18.99	14.25

The accompanying notes form an integral part of the standalone financial statements. 1 to 58

In terms of our report attached.
For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No: 044577

For M. P. Chitale & Co.
Chartered Accountants
Firm's Registration No: 101851W

Ashutosh Pednekar
Partner
Membership No: 041037

Mumbai
22nd April 2025

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Mumbai
22nd April 2025

Statement of Changes in Equity for Standalone financial statements

for the year ended 31st March 2025

A. Equity share capital

(₹ in crore)

Particulars	Amount
Issued, Subscribed and fully paid up:	
Balance as at 1st April 2023	**246.72**
Changes due to prior period errors	-
Restated balance as at 1st April 2023	246.72
Changes during the year:	
Add : Allotment of shares by ESOP Trust to employees on exercise of options (refer note 34)	0.16
Balance as at 31st March 2024	**246.88**
Balance as at 1st April 2024	**246.88**
Changes due to prior period errors	-
Restated balance as at 1st April 2024	246.88
Changes during the year:	
Add: Allotment of shares by ESOP Trust to employees on exercise of options (refer note 34)	0.10
Balance as at 31st March 2025	**246.98**

B. Other Equity

₹ in crore

Particulars	Reserves and Surplus									
	Statutory reserve as per Section 45-IC of the RBI Act, 1934	Capital redemption reserve	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Debt instruments through OCI	Equity instruments through OCI	Effective portion of cash flow hedges	Total
Balance as at 1st April 2023	**2,531.35**	**50.00**	**7,170.04**	**797.94**	**23.30**	**6,376.60**	**(123.76)**	**21.46**	**(4.74)**	**16,842.19**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1st April 2023	2,531.35	50.00	7,170.04	797.94	23.30	6,376.60	(123.76)	21.46	(4.74)	16,842.19
Profit/(loss) for the year						1,759.62				1,759.62
Other Comprehensive Income / (loss)						(4.97)	52.82	-	(2.54)	45.31
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**1,754.65**	**52.82**	**-**	**(2.54)**	**1,804.93**
Dividend paid on equity shares (including tax thereon)						(741.32)				(741.32)
Transfers to Securities premium on exercise of employee stock options			13.67		(13.67)					-
Securities premium on transfer of ESOP Shares to employees from grant created out of Rights Issue			1.94							1.94
Employee stock options expired				0.25	(0.25)					-
Share based payment expense					2.87					2.87
Transfers to Statutory reserves	352.00					(352.00)				-
Balance as at 31st March 2024	**2,883.35**	**50.00**	**7,185.65**	**798.20**	**12.24**	**7,037.93**	**(70.94)**	**21.46**	**(7.28)**	**17,910.61**

Statement of Changes in Equity for Standalone financial statements

for the year ended 31st March 2025

B. Other Equity (Contd.)

(₹ in Crore)

Particulars	Reserves and Surplus									
	Statutory reserve as per Section 45-IC of the RBI Act, 1934	Capital redemption reserve	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Debt instruments through OCI	Equity instruments through OCI	Effective portion of cash flow hedges	Total
Balance as at 1st April 2024	**2,883.35**	**50.00**	**7,185.65**	**798.20**	**12.24**	**7,037.93**	**(70.94)**	**21.46**	**(7.28)**	**17,910.61**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1st April 2024	2,883.35	50.00	7,185.65	798.20	12.24	7,037.93	(70.94)	21.46	(7.28)	17,910.61
Profit/(loss) for the year						2,345.04			-	2,345.04
Other Comprehensive Income / (loss)						(7.49)	72.20	63.05	(46.57)	81.19
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**2,337.55**	**72.20**	**63.05**	**(46.57)**	**2,426.23**
Dividend paid on equity shares (including tax thereon)						(778.38)				(778.38)
Transfers to Securities premium on exercise of employee stock options			8.32		(8.32)					-
Securities premium on transfer of ESOP Shares to employees from grant created out of Rights Issue			1.12							1.12
Employee stock options expired				0.42	(0.42)					-
Share based payment expense					5.67		-			5.67
Transfers to Statutory reserves	469.00					(469.00)				-
Balance as at 31st March 2025	**3,352.35**	**50.00**	**7,195.09**	**798.61**	**9.18**	**8,128.10**	**1.26**	**84.51**	**(53.85)**	**19,565.25**

The accompanying notes 1 to 58 form an integral part of the standalone financial statements.

In terms of our report attached.
For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No: 044577

For M. P. Chitale & Co.
Chartered Accountants
Firm's Registration No: 101851W

Ashutosh Pednekar
Partner
Membership No: 041037

Mumbai
22nd April 2025

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Mumbai
22nd April 2025

Statement of Standalone cash flows

for the year ended 31st March 2025

(₹ in crore)

	Particulars	Year ended 31st March 2025	Year ended 31st March 2024
A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before exceptional items and taxes	**3,147.27**	**2,355.47**
	Adjustments for:		
	Depreciation, amortization and impairment	273.42	228.71
	Impairment on financial instruments (excluding bad debts and write offs)	58.95	107.90
	Bad debts and write offs	1,558.91	1,714.89
	Interest expense	7,978.79	6,386.09
	Interest income from loans	(14,500.50)	(12,328.95)
	Interest income from other deposits with banks	(318.80)	(266.11)
	Net (gain) / loss on fair value of derivative financial instruments	(107.25)	9.47
	Unrealized foreign exchange (Gain)/loss	37.74	(76.49)
	Share based payments to employees	7.25	4.49
	Net (gain)/loss on fair value changes	0.85	(3.46)
	Interest income on investments	(512.11)	(521.57)
	Net gain on derecognition of property, plant and equipment	(4.10)	(6.65)
	Net (gain) / loss on sale of investments	(1.31)	-
	Operating profit / (loss) before working capital changes	**(2,380.89)**	**(2,396.21)**
	Adjustments for changes in working capital -		
	Loans	(17,514.42)	(22,063.71)
	Trade receivables	(28.42)	2.28
	Other financial assets	(18.70)	(13.91)
	Other financial liabilities	31.26	31.69
	Other non-financial assets	(150.41)	(199.81)
	Trade Payables	(296.00)	358.58
	Other non-financial liabilities	15.50	26.59
	Derivative financial instruments	131.08	145.10
	Provisions	1.25	(61.84)
	Cash generated from / (used in) operations before adjustments for interest received and interest paid	**(20,209.75)**	**(24,171.24)**
	Interest paid	(7,630.56)	(6,336.35)
	Interest received from loans	13,379.76	12,823.56
	Cash generated from / (used in) operations	**(14,460.55)**	**(17,684.03)**
	Income taxes paid (net of refunds)	(820.88)	(716.76)
	NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)	**(15,281.43)**	**(18,400.79)**
B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, plant and equipment and intangible assets	(425.10)	(289.03)
	Proceeds from sale of Property, plant and equipment	64.49	50.31
	Purchase of investments measured at amortized cost	-	-
	Proceeds from sale of investments measured at amortized cost	35.25	169.32
	(Increase) / decrease in Investment in Triparty Repo Dealing System (TREPS) (net)	124.98	(124.98)
	Purchase of investments measured at FVOCI	-	(167.41)
	Proceeds from sale of investments measured at FVOCI	476.40	445.26
	Purchase of investments measured at FVTPL	(17,823.01)	(3,280.79)
	Proceeds from sale of investments measured at FVTPL	16,604.91	3,569.77
	Purchase of shares in a subsidiary company	-	(206.39)
	Proceeds from / (Investments in) term deposits with banks (net)	(914.42)	1,049.09
	Interest received from other deposits with banks	319.99	215.27
	Interest income received on investments measured at amortized cost, FVOCI, FVTPL and at cost	525.11	528.21
	Change in Earmarked balances with banks	(0.09)	0.03
	NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	**(1,011.49)**	**1,958.66**

Statement of Standalone cash flows

for the year ended 31st March 2025

(₹ in crore)

	Particulars	Year ended 31st March 2025	Year ended 31st March 2024
C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings through Debt Securities	27,048.97	17,802.10
	Repayment of borrowings through Debt Securities	(28,613.08)	(15,835.68)
	Proceeds from Borrowings (Other than Debt Securities)	42,239.22	35,806.06
	Repayment of Borrowings (Other than Debt Securities)	(27,105.20)	(22,478.11)
	Proceeds from borrowings through Subordinated Liabilities	1,500.00	700.00
	Repayment of borrowings through Subordinated Liabilities	(274.04)	(140.15)
	(Decrease) / Increase in loans repayable on demand and cash credit/overdraft facilities with banks (net)	-	(169.97)
	Increase / (decrease) in Public deposits (net)	3,733.33	1,655.37
	Payments of lease liability	(102.41)	(94.85)
	Dividend paid	(778.38)	(741.32)
	NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	**17,648.41**	**16,503.45**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**1,355.49**	**61.32**
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**311.07**	**249.75**
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**1,666.56**	**311.07**
	Components of Cash and Cash Equivalents		
	Cash and cash equivalents at the end of the year		
	- Cash on hand	47.85	52.92
	- Cheques and drafts on hand	16.28	27.92
	- Balances with banks in current accounts	293.51	230.23
	- Term deposits with original maturity up to 3 months	1,307.00	-
	- Interest accrued on Term deposits	1.92	-
Total		**1,666.56**	**311.07**

Note :

The above Statement of Standalone Cash Flow has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

Purchase of Property, Plant and Equipment and Intangible assets represents additions to Property, plant and equipment and intangible assets adjusted for movement of capital-work-in-progress during the year.

In terms of our report attached.
For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No: 044577

For M. P. Chitale & Co.
Chartered Accountants
Firm's Registration No: 101851W

Ashutosh Pednekar
Partner
Membership No: 041037

Mumbai
22nd April 2025

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Mumbai
22nd April 2025

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

1 COMPANY INFORMATION

Mahindra & Mahindra Financial Services Limited ('the Company') with Corporate ID No.: L65921MH1991PLC059642, incorporated on 1st January 1991 and domiciled in India, is a public limited company, headquartered in Mumbai. The Company is a Non-Banking Financial Company ('NBFC'), primarily engaged in financing new and pre-owned auto, utility vehicles, tractors, passenger cars and commercial vehicles through its pan India branch network. The Company has a diversified lending portfolio across retail, small and medium enterprises and commercial customers with a significant presence in rural and semi-urban India.

The Company is registered as a Systemically Important Deposit Accepting NBFC as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act, 1934 with effect from 4th September 1998, with registration no. 13.00996 and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22nd February 2019. The equity shares of the Company are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") in India. The Company is a subsidiary of Mahindra & Mahindra Limited.

The Company's registered office is at Gateway Building, Apollo Bunder, Mumbai 400001, India.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY

2.1 Statement of compliance and basis for preparation and presentation of financial statements

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act"), and is in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March 2020.

Any application guidance/ clarifications/ directions/ expectations issued by RBI or other regulators are implemented as and when they are issued/ applicable.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These standalone or separate financial statements have been approved by the Company's Board of Directors and authorized for issue on 22nd April 2025.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or '₹') which is also the Company's functional currency. All amounts are rounded-off to the nearest crore, unless indicated otherwise.

2.3 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain assets and liabilities which are measured at fair values as required by relevant Ind AS.

2.4 Measurement of fair values

The Company's certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.5 Use of estimates and judgements and Estimation uncertainty

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of estimates are recognized prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

i) Effective Interest Rate (EIR) Method

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

ii) Impairment of Financial Assets

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The classification of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weights, to provide the economic inputs into the ECL model
- Management overlay, if any, used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios.

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary (refer note 49).

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

iii) Provisions and contingent liabilities

The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs. Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

The reliable measure of the estimates and judgments pertaining to litigations and the regulatory proceedings in the ordinary course of the Company's business are disclosed as contingent liabilities.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made. The disclosure of contingent liability is made when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligation for which a reliable estimate cannot be made as a contingent liability.

iv) Provision for income tax and deferred tax assets:

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses, if any, can be utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

v) Defined Benefit Plans:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

vi) Going Concern

The financial statements of the Company are prepared on a going concern basis for the year ended 31st March 2025.

The Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

2.6 Revenue recognition :

a) Recognition of interest income

Interest income is recognized in Statement of profit and loss using the effective interest method for all financial instruments measured at amortized cost, debt instruments measured at Fair Value Through Other Comprehensive Income (FVOCI) and debt instruments designated at Fair Value Through Profit and Loss (FVTPL). The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

In case of credit-impaired financial assets, the Company recognises interest income on the amortised cost net of impairment loss on financial assets at EIR. If financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis (amortised cost).

Additional interest levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.

Interest on trade advances, are recognized when they become measurable and when it is not unreasonable to expect their ultimate collection.

Income from bill discounting is recognized over the tenure of the instrument so as to provide a constant periodic rate of return.

Interest income from investments is recognized when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable.

b) Recognition of interest income on securitized loans

The Company securitizes certain pools of loan receivables in accordance with applicable RBI guidelines. The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Pay-out Account maintained by the SPV Trust for making scheduled pay-outs to the investors in Pass Though Certificates (PTCs) issued by the SPV Trust. These securitization transactions also requires the Company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral, subscription to subordinated PTCs as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the de-recognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as "Associated liability related to Securitization transactions" and the loan receivables securitized are continued to be reflected as loan assets. These loan assets are carried at amortized cost and the interest income is recognized by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

In case of credit-impaired financial assets, the Company recognises interest income on the amortised cost net of impairment loss on financial assets at EIR. If financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis (amortised cost).

c) Subvention income

Subvention income received from manufacturer / dealers at the inception of the loan contracts which is directly attributable to individual loan contracts in respect of vehicles financed is recognized in the Statement of profit and loss using the effective interest method over the tenor of such loan contracts measured at amortized cost.

In case of subvention income which is subject to confirmation from manufacturer and received later than inception date is recognized in the Statement of profit and loss using straight line method over the tenor of such loan contracts.

d) Rental Income

Income from operating leases is recognized in the Statement of profit and loss on a straight-line basis over the lease term. In certain lease arrangements, variable rental charges are also recognized over and above minimum commitment charges based on usage pattern and make/model of the asset.

e) Income from finance lease

The income earned on finance lease are recognised in the Statement of profit and loss account based on pattern reflecting constant periodic return on the Company's net investment in lease.

The fees / charges received towards fleet management services rendered to customers is recognized over the lease term.

f) Fees, charges and commission income :

The Company recognises service and administration charges at point in time towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees and commission that are not directly linked to the sourcing of financial assets are recognised at point in time in the Statement of Profit and Loss when the right to receive the same is established.

Instrument Return Charges levied on customers for non payment of instalments on the contractual date is recognised on realisation.

Distribution income is earned by distribution of services and products of other entities under distribution arrangements. The income so earned is recognised on successful distribution on behalf of other entities subject to there being no significant uncertainty of its recovery from the other entities.

Foreclosure or prepayment charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

Collection fee related to transferred assets under securitisation transactions is recognised on remittance of collection proceeds to Special Purpose Vehicle (SPV) created under securitization transaction.

Collection fee related to transferred assets under assignment deals is recognised on remittance of collection proceeds to assignees as per the service agreement entered with the assignees.

g) Income on Derecognised (Assigned) Loans :

Gains arising out of direct assignment transactions comprises of the difference between interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the expected cash flow on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss.

2.7 Property, Plant and Equipments (PPE)

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Cost of acquisition consists of purchase price or construction cost which is the amount paid, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured.

Other repairs and maintenance costs are expensed off as and when incurred.

Advances paid towards the acquisition of PPE (excluding lease improvements) outstanding at each balance sheet date are disclosed separately as "Capital advances" under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date and cost of leasehold improvements. Capital work-in-progress is stated at cost, net of impairment loss, if any. On completion of work related to leasehold property improvements, the relevant cost is capitalized and the same is amortized over the lease term.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis subject to exceptions listed here below. Depreciation methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

In accordance with Ind AS 116 - Leases, the Right-Of-Use assets (Leasehold premises) are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-Of-Use assets (Leasehold premises) are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The estimated useful lives used for computation of depreciation are as follows:

Buildings	60 years
Computers and Data processing units	3 to 6 years
Furniture and fixtures	10 years
Office equipments	5 years
Vehicles	8 years and 10 years
Vehicles under lease	Over the lease term of the respective agreements
Right-Of-Use assets (Leasehold premises)	Over the lease term of the respective agreements

Exceptions to useful lives specified in Schedule II to the Companies Act, 2013 -

- Assets costing less than ₹5000/- are fully depreciated in the period of purchase.
- Vehicles provided to employees as part of Cost-To-Company (CTC) scheme are depreciated using estimated useful life of 4 years.
- Repossessed vehicles capitalized for own use are depreciated at 15% leading to an estimated useful life of 6.67 years.

PPE is derecognized on disposal or when no future economic benefits are expected from its use. Assets retired from active use and held for disposal are generally stated at the lower of their carrying amount & fair value less costs to sell. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognized in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognized.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

2.8 Intangible assets :

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

Intangible assets representing computer software are amortised using the straight-line method over a period of 3 to 6 years, which is the Management's estimate of useful life. Amortization methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.9 Investments in subsidiaries, associate and joint ventures :

Investment in subsidiaries, associates and Joint Ventures are recognised at cost and are not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment.

The Company reviews the carrying amounts of its investments in subsidiaries, associate and joint ventures at the end of each reporting period, to determine whether there is any indication that those investments have impaired. If any such indication exists, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss (if any) and provided for accordingly. Such impairment loss is reduced from the carrying value of investments.

2.10 Foreign exchange transactions and translations :

a) Initial recognition

Transactions in foreign currencies are recognized at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction date.

b) Translation

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in Statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Thus, translation differences on non- monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognized in other comprehensive income.

Non-monetary items that are measured at historical cost in foreign currency are not retranslated at reporting date.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

2.11 Financial instruments :

a) Initial Recognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in Statement of profit and loss.

b) Classification and Subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at

- Amortized cost;
- FVOCI - debt instruments;
- FVOCI - equity instruments;
- FVTPL

Amortized cost -

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held within a business model of collecting contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest ('SPPI') on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments that meet the SPPI criterion at amortized cost.

FVOCI - debt instruments -

The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI - equity instruments -

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

If the Company elects to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments. Investments representing equity interest in subsidiary, joint venture and associate are carried at cost less any provision for impairment.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instrument which are accounted as per hedge accounting requirements discussed below.

Subsequent measurement of financial assets

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. The

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

amortized cost is reduced by impairment losses. Interest income, and impairment provisions are recognized in Statement of profit and loss. Any gain and loss on derecognition is recognized in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income at coupon rate and impairment provision, if any, are recognized in Statement of profit and loss. Net gains or losses on fair valuation are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognized in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognized in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Statement of profit and loss.

c) Financial liabilities and equity instruments:

Classification as debt or equity -

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments -

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognized at the proceeds received. Transaction costs of an equity transaction are recognized as a deduction from equity.

Financial liabilities -

Financial liabilities are classified and measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of profit and loss. Any gain or loss on derecognition is also recognized in Statement of profit and loss.

d) Financial guarantee contracts:

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115 Revenue from Contracts with Customers.

e) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

A financial liability is derecognized when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognized in Statement of profit and loss.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

f) Derivative financial instruments and hedge accounting

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts, currency swaps and principal & interest rate swaps, to manage its borrowing exposure to foreign exchange and interest rate risks.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognized at fair value on the date on which the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognized in Statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in equity (relating to effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss..

g) Impairment of financial instruments

Equity instruments are not subject to impairment under Ind AS 109.

The Company recognizes lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information. (refer note 49).

The Company recognizes lifetime ECL for trade advances. The expected credit losses on trade advances are estimated using a provision matrix based on the Company's historical credit loss experience.

The industry benchmarking is used for leasing portfolio in the absence of sufficient history.

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios. Emerging local or global macroeconomic, micro economic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognized.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities measured at FVOCI, the loss allowance is recognized in OCI.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Loan contract renegotiation and modifications:

Loans are identified as renegotiated and classified as credit impaired when the Company modifies contractual payment terms due to significant credit distress of the borrower. Renegotiated loans remain classified as credit impaired until there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows and retain the designation of renegotiated loan until maturity or derecognition.

A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms, or if the terms of an existing agreement are modified such that the renegotiated loan is a substantially different financial instrument. Any new loans that arise following derecognition events in these circumstances are considered to be originated credit impaired financial asset and continue to be disclosed as renegotiated loans.

Other than originated credit-impaired loans, all other modified loans could be transferred out of stage 3 if they no longer exhibit any evidence of being credit impaired and, in the case of renegotiated loans, there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows over the minimum observation period, and there are no other indicators of impairment. These loans could be transferred to stage 1 or 2 based on the risk assessment mechanism by comparing the risk of a default occurring at the reporting date (based on the modified contractual terms) and the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms). Any amount written off as a result of the modification of contractual terms would not be reversed.

Loan modifications that are not identified as renegotiated are considered to be commercial restructuring. Where a commercial restructuring results in a modification (whether legalised through an amendment to the existing terms or the issuance of a new loan contract) such that the Company's rights to the cash flows under the original contract have expired, the old loan is derecognised and the new loan is recognised at fair value. The rights to cash flows are generally considered to have expired if the commercial restructure is at market rates and no payment-related concession has been provided. Mandatory and general offer loan modifications that are not borrower-specific, for example market-wide customer relief programmes announced by the Regulator or other statutory body, have not been classified as renegotiated loans and so have not resulted in derecognition, but their stage allocation is determined considering all available and supportable information under the Company's ECL policy.

h) Simplified approach for trade receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk.

i) Collateral repossessed -

The underlying loans in respect of which collaterals have been repossessed but not sold are considered as Stage 3 assets and impairment allowance is estimated as per the ECL policy.

In the normal course of business, the Company does not physically repossess assets/properties in its loan portfolio, but engages external agents to repossess and recover funds, generally by selling at auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. As a result of this practice, the assets / properties under legal repossession processes are not separately recorded on the balance sheet.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

j) Write offs -

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor/ borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off as per the Company's policy. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "Bad debts and write offs" forming part of "Impairment on financial instruments" in the Statement of profit and loss.

2.12 Employee benefits:

a) Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and these are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Contribution to provident fund, Superannuation fund, ESIC and National Pension Scheme -

The defined contribution plans i.e. provident fund (administered through Regional Provident Fund Office), superannuation scheme and employee state insurance corporation and National Pension Scheme are post-employment benefit plans under which a Company pays fixed contributions and will have no legal and constructive obligation to pay further amounts beyond its contributions. The Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India and the Company has no obligation to the scheme beyond its contributions.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Company's contribution paid/payable during the year to provident fund, Superannuation scheme, ESIC and National Pension Scheme is recognized in the Statement of profit and loss.

c) Gratuity and post retirement medical benefit -

The Company's liability towards gratuity and post retirement medical benefit schemes are determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognized at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/termination benefits.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement gains/losses -

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognized immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

d) Leave encashment / compensated absences / sick leave -

The Company provides for the encashment / availment of leave with pay subject to certain rules as per leave policy of the Company. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

e) Employee stock options :

Compensation cost on Equity-settled share-based payments to employees are recognized as an expense at the fair value of equity stock options at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the graded vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

f) Long-Term Incentive Plan:

The Company pays Long Term Incentives to certain employees on fulfilment of prescribed criteria/conditions. The Company's liability towards Long Term Incentive is determined actuarially based on certain assumptions regarding rate of Interest, staff attrition and mortality as per Projected Unit Credit Method. Expenses towards long term incentive are recognised in the Statement of Profit and Loss.

2.13 Finance costs :

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Financial instruments include bank term loans, associated liabilities in respect of securitization transactions, non-convertible debentures, fixed deposits mobilized, commercial papers, subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

Interest expense on lease liabilities computed by applying the Company's weighted average incremental borrowing rate has been included under finance costs.

2.14 Taxation - Current and deferred tax:

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

a) Current tax :

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax :

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities on a net basis or simultaneously.

2.15 Provisions, contingent liabilities and contingent assets:

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Provisions are not recognised for future operating losses.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made. The disclosure of contingent liability is made when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligation for which a reliable estimate cannot be made as a contingent liability. Contingent Liabilities are reviewed at each Balance Sheet date.

A contingent asset is disclosed where an inflow of economic benefit is probable.

When some or all economic benefits required to settle a provision are expected to be recovered from third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount can be measured reliably.

2.16 Leases :

The Company as a lessee -

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises, certain IT equipments and general purpose office equipments used for operating activities. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. ROU assets and corresponding lease liabilities constitute lease contracts for office premises.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that option to extend will be exercised and option to terminate will not be exercised.

The Right-of-use assets are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid at the commencement date, discounted using the

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Company's incremental average borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

In the Balance Sheet, ROU assets have been included in Property, Plant and Equipment and Lease liabilities have been included in Other financial liabilities and the principal portion of lease payments have been classified as financing cash flows. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

Where the Company is the lessor -

At the inception of the lease, the Company classifies each of its leases as either a finance lease or an operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Company has given certain vehicles on lease where it has substantially retained the risks and rewards of ownership and hence these are classified as operating leases. These assets given on operating lease are included in PPE. Lease income is recognized in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Costs including depreciation are recognized as an expense in the Statement of profit and loss. Initial direct costs are recognized immediately in Statement of profit and loss.

In case of assets under Finance Lease, amount receivable from lessees are recognised at the net investment in the leases measured by using the interest rate implicit in the lease contract. All initial direct cost incurred to put the leased asset for intended use are included in the initial measurement of net investment.

In accordance with Ind AS 116, Leases, the financial information has been presented in the following manner.

a) ROU assets and lease liabilities have been included within the line items "Property, Plant and Equipment" and "Other financial liabilities" respectively in the Balance sheet;

b) Interest expenses on the lease liability and depreciation charge for the right-to-use asset have been included within the line items "Finance costs" and "Depreciation, amortization and impairment" respectively in the statement of profit or loss;

c) Short-term lease payments and payments for leases of low-value assets, where exemption as permitted under this standard is availed, have been recognized as expense on a straight line basis over the lease term in the statement of profit or loss.

d) Cash payments for the principal and interest of the lease liability have been presented within "financing activities" in the statement of cash flows;

The disclosures as required in accordance with Ind AS 116, Leases, are set out under note no. 40.

2.17 New standards or amendments to the existing standards and other pronouncements :

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As on 31st March 2025, there is no new standard notified or amendment to any of the existing standards under Companies (Indian Accounting Standards) Rules, 2015.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

3 Cash and cash equivalents

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Cash on hand	47.85	52.92
Cheques and drafts on hand	16.28	27.92
Balances with banks in current accounts	293.51	230.23
Term deposits with original maturity up to 3 months	1,307.00	-
Interest accrued on Term deposits	1.92	-
Total	**1,666.56**	**311.07**

4 Bank balances other than cash and cash equivalents

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Earmarked balances with banks -		
- Unclaimed dividend accounts	0.66	0.57
Term deposits (with original maturity - more than 3 months)		
- Free	2,273.95	2,311.59
- Under lien#	1,429.06	477.00
Interest accrued on Term deposits	165.64	166.83
Total	**3,869.31**	**2,955.99**

Details of Term deposits - Under lien

(₹ in crore)

Particulars	As at 31st March 2025		As at 31st March 2024	
	Bank balances other than cash and cash equivalents	Total	Bank balances other than cash and cash equivalents	Total
For Statutory Liquidity Ratio	356.00	356.00	-	-
For securitization transactions	982.78	982.78	444.23	444.23
Legal deposits	7.67	7.67	0.21	0.21
For Constituent Subsidiary General Ledger (CSGL) account	30.00	30.00	30.90	30.90
Other collateral deposits	52.61	52.61	1.66	1.66
Total	**1,429.06**	**1,429.06**	**477.00**	**477.00**

5 Derivative financial instruments

(₹ in crore)

Particulars	31st March 2025		31st March 2024	
	Notional amounts	Fair value of Assets	Notional amounts	Fair value of Assets
Currency derivatives :				
Forward contracts	1,669.00	5.26	-	-
Swaps	827.70	25.69	-	-
Total derivative financial instruments	**2,496.70**	**30.95**	**-**	**-**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

6 Receivables

(₹ in crore)

Particulars		31st March 2025	31st March 2024
Trade receivables			
i)	Secured, considered good* :		
	- Lease rental receivable on operating lease transactions	3.15	17.04
	Less : Impairment loss allowance	(0.43)	(0.29)
		2.72	**16.75**
ii)	Unsecured, considered good* :		
	- Other income receivables	50.30	7.99
iii)	Credit impaired* :		
	- Subvention and other income receivables	-	-
	Less : Impairment loss allowance	-	-
		-	**-**
Total		**53.02**	**24.74**

*Includes dues from related parties

There is no due by Directors or other officers of the Company or any firm or private company in which any Director is a partner, a Director or a member.

Trade Receivables aging schedule

As at 31st March 2025

(₹ in crore)

Particulars		Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i)	Undisputed Trade receivables -						
	- considered good	51.16	-	-	-	-	51.16
	- which have significant increase in credit risk	1.31	-	-	-	-	1.31
	- credit impaired	0.01	0.39	0.52	0.06	-	0.98
ii)	Disputed Trade Receivables -						
	- considered good	-	-	-	-	-	-
	- which have significant increase in credit risk	-	-	-	-	-	-
	- credit impaired	-	-	-	-	-	-
Total		**52.48**	**0.39**	**0.52**	**0.06**	**-**	**53.45**

There is neither an instance where due date is not specified nor any unbilled dues.

As at 31st March 2024

(₹ in crore)

Particulars		Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i)	Undisputed Trade receivables -						
	- considered good	13.61	-	-	-	-	13.61
	- which have significant increase in credit risk	10.65	-	-	-	-	10.65
	- credit impaired	0.51	0.20	0.06	-	-	0.77
ii)	Disputed Trade Receivables -						
	- considered good	-	-	-	-	-	-
	- which have significant increase in credit risk	-	-	-	-	-	-
	- credit impaired	-	-	-	-	-	-
Total		**24.77**	**0.20**	**0.06**	**-**	**-**	**25.03**

There is neither an instance where due date is not specified nor any unbilled dues.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Reconciliation of impairment loss allowance on trade receivables

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Impairment loss allowance as at beginning of the year	0.29	5.47
Net increase/(decrease) during the year	0.14	(5.18)
Impairment loss allowance at the end of the year	0.43	0.29

7 Loans

(₹ in crore)

Particulars		31st March 2025	31st March 2024
A)	**Loans (at amortized cost) :**		
	Term loans :		
	- Retail loans	109,239.78	94,190.74
	- Small and Medium Enterprise (SME) financing	4,825.83	3,757.67
	Bills of exchange	1,322.71	1,054.74
	Trade advances	3,197.47	2,879.10
	Finance lease	1,087.23	714.52
	Total (Gross)	**119,673.02**	**102,596.77**
	Less : Impairment loss allowance	(3,459.00)	(3,401.59)
	Total (Net)	**116,214.02**	**99,195.18**
B)	i) Secured by tangible assets	113,499.66	97,436.10
	ii) Secured by intangible assets	-	-
	iii) Covered by bank / Government guarantees	11.82	133.36
	iv) Unsecured#	6,161.54	5,027.31
	Total (Gross)	**119,673.02**	**102,596.77**
	Less : Impairment loss allowance	(3,459.00)	(3,401.59)
	Total (Net)	**116,214.02**	**99,195.18**
C)	**i) Loans in India**		
	a) Public Sector	-	-
	b) Others	119,673.02	102,596.77
	Total (Gross)	**119,673.02**	**102,596.77**
	Less : Impairment loss allowance	(3,459.00)	(3,401.59)
	Total (Net) - C (i)	**116,214.02**	**99,195.18**
	ii) Loans outside India		
	Less : Impairment loss allowance	-	-
	Total (Net) - C (ii)	**-**	**-**
	Total (Net) - C (i+ii)	**116,214.02**	**99,195.18**

Notes:

- There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.
- Refer note no. 49 for information related to stage-wise classification of loan assets and ECL movement.

Includes loans against Fixed Deposits.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

8 Investments

(₹ in crore)

Investments	31st March 2025						31st March 2024					
	Amortized cost	At Fair Value			Others (at cost)	Total	Amortized cost	At Fair Value			Others (at cost)	Total
		Through OCI	Through profit or loss	Sub-total				Through OCI	Through profit or loss	Sub-total		
Units of mutual funds	-	-	78.12	78.12	-	78.12		-	52.86	52.86	-	52.86
Government securities#	1,173.78	4,072.29		4,072.29		5,246.07	1,216.77	4,460.74	-	4,460.74	-	5,677.51
Debt securities -												
i) Commercial Papers	-	-	593.75	593.75	-	593.75	-	-	757.41	757.41	-	757.41
ii) Certificate of deposits	-		2,330.40	2,330.40		2,330.40			967.73	967.73		967.73
iii) Investment in Bonds#	25.70	457.79		457.79	-	483.49	25.84	453.34		453.34		479.18
iv) Investment in Triparty Repo Dealing System (TREPS)	-	-	-	-	-	-	124.98	-	-	-	-	124.98
v) Non-Convertible Debentures of Jyoti Structures Limited (Assets acquired in satisfaction of debt)##	-	-	-	-	-	-	-	1.59	-	1.59	-	1.59
Equity instruments -												
i) Equity investment in Smartshift Logistics Solutions Private Limited	-	107.36	-	107.36	-	107.36	-	35.24	-	35.24	-	35.24
ii) New Democratic Electoral Trust	-	0.02	-	0.02	-	0.02	-	0.02	-	0.02	-	0.02
iii) Equity shares of Jyoti Structures Limited (Assets acquired in satisfaction of debt)	-	-	0.18	0.18	-	0.18			0.22	0.22		0.22
Subsidiaries -												
i) Mahindra Insurance Brokers Limited	-	-	-	-	206.84	206.84	-	-	-	-	206.84	206.84
(1,03,09,280 equity shares of face value of ₹10/- each)												
ii) Mahindra Rural Housing Finance Limited	-	-	-	-	799.30	799.30	-	-	-	-	799.30	799.30
(12,09,52,678 equity shares of face value of ₹10/- each)												
iii) Mahindra Finance CSR Foundation	-	-	-	-	-	-	-	-	-	-	-	-
(1,000 equity shares of face value of ₹10/- each)												
iv) Mahindra Ideal Finance Limited, Sri Lanka	-	-	-	-	77.97	77.97	-	-	-	-	77.97	77.97
(58.20% of equity share capital)												
Associates -												
49% Ownership in Mahindra Finance USA, LLC	-	-	-	-	210.55	210.55	-	-	-	-	210.55	210.55
(Joint venture entity with De Lage Landen Financial Services INC. in United States of America)												
Joint Venture												
i) Mahindra Manulife Investment Management Private Ltd.	-	-	-	-	195.30	195.30	-	-	-	-	195.30	195.30
(51:49 Joint Venture with Manulife Asset Management (Singapore) Pte. Ltd. (Manulife)) (19,53,00,000 equity shares of face value of ₹10/- each)												
ii) Mahindra Manulife Trustee Private Ltd	-	-	-	-	0.50	0.50	-	-	-	-	0.50	0.50
(51:49 Joint Venture with Manulife Asset Management (Singapore) Pte. Ltd. (Manulife)) (5,00,000 equity shares of face value of ₹10/- each)												
Others -												
i) Compulsorily Convertible Cumulative Participating Preference Shares (CCCPS) in Smartshift Logistics Solutions Private Limited	-	19.29	-	19.29	-	19.29	-	7.15	-	7.15	-	7.15
ii) Interest accrued on Government securities	20.27	73.76	-	73.76	-	94.03	21.20	77.95	-	77.95	-	99.15
iii) Interest accrued on Bonds	0.06	11.76	-	11.76		11.82	0.06	11.77	-	11.77	-	11.83
Total - Gross (A)	**1,219.81**	**4,742.27**	**3,002.45**	**7,744.72**	**1,490.46**	**10,454.99**	**1,388.85**	**5,047.80**	**1,778.22**	**6,826.02**	**1,490.46**	**9,705.33**
i) Investments outside India	-	-	-	-	288.52	288.52	-	-	-	-	288.52	288.52
ii) Investments in India	1,219.81	4,742.27	3,002.45	7,744.72	1,201.94	10,166.47	1,388.85	5,047.80	1,778.22	6,826.02	1,201.94	9,416.81
Total - Gross (B)	**1,219.81**	**4,742.27**	**3,002.45**	**7,744.72**	**1,490.46**	**10,454.99**	**1,388.85**	**5,047.80**	**1,778.22**	**6,826.02**	**1,490.46**	**9,705.33**
Less : Allowance for Impairment loss (C)	-	-	-	-	54.51	54.51	-	-	-	-	54.51	54.51
Total - Net D (A-C)	**1,219.81**	**4,742.27**	**3,002.45**	**7,744.72**	**1,435.95**	**10,400.48**	**1,388.85**	**5,047.80**	**1,778.22**	**6,826.02**	**1,435.95**	**9,650.82**

The investments in Government securities for ₹1,173.78 crore (31st March 2024: ₹ 1,216.77 crore) and investments in Bonds for ₹ 25.70 crore (31st March 2024: ₹ 25.84 crore) as shown under Amortized cost category are Statutory Liquid Assets as required under section 45 - IB of the Reserve Bank of India Act, 1934, with a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent Trust.

The investment in Non-Convertible Debentures of Jyoti Structures Limited has been valued at ₹ 1,000.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

9 Other financial assets

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Security Deposits		
Gross	98.93	77.62
Less : Impairment loss allowance	(0.48)	-
Net	**98.45**	**77.62**
Excess Interest Spread on Direct Assignment	1.90	-
Others #		
Gross	148.13	151.93
Less : Impairment loss allowance	(0.95)	(0.72)
Net#	**147.18**	**151.21**
Total	**247.53**	**228.83**

includes receivables related to insurance claims and online payment aggregators.

10 Deferred tax assets (net) and Tax expense

(i) Deferred tax assets (net)

(₹ in crore)

Particulars	Balance as at 1st April 2023	(Charge)/ credit to profit and loss	Charge/ (credit) to OCI	Charge/ (credit) to OCI	Balance as at 31st March 2024	(Charge)/ credit to profit and loss	Charge/ (credit) to OCI	Balance as at 31st March 2025
Tax effect of items constituting deferred tax liabilities :								
- Application of EIR on financial assets	(80.10)	(0.09)	-	-	(80.19)	(14.15)	-	(94.34)
- Application of EIR on financial liabilities	(8.68)	(13.92)	-	-	(22.60)	-	-	(22.60)
- Share based payments	(4.74)	(1.67)	-	-	(6.41)	(2.51)	-	(8.92)
- FVTPL financial asset	0.30	(1.32)	-	-	(1.03)	(1.22)	-	(2.24)
- Others#	(131.59)	44.02	-	-	(87.57)	10.68	-	(76.90)
	(224.82)	**27.02**	**-**	**-**	**(197.80)**	**(7.21)**	**-**	**(205.01)**
Tax effect of items constituting deferred tax assets :								
- Provision for employee benefits	26.21	-	-	1.67	27.88	-	2.51	30.39
- Net gain .(loss) on equity instruments through OCI							(21.20)	(21.20)
- Derivatives	51.96	(3.05)	-	-	48.91	0.68	-	49.59
- Allowance for ECL	586.79	56.95	-	(17.76)	625.98	(22.36)	(24.28)	579.34
- Application of EIR on financial liabilities	-	-	-	-	-	-	-	-
- Provision on standard assets	152.92	(15.98)	-	-	136.94	12.78	-	149.72
- Other provisions	44.18	4.14	-	0.85	49.17	(6.67)	15.66	58.16
	862.06	**42.06**	**-**	**(15.24)**	**888.88**	**(15.58)**	**(27.31)**	**846.00**
Net deferred tax assets	**637.24**	**69.08**	**-**	**(15.24)**	**691.08**	**(22.78)**	**(27.31)**	**640.99**

includes deferred tax on account of securitization transactions, fair valuation of Govt. securities / bonds and timing differences arising on PPE.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(ii) Income tax recognized in Statement of profit and loss

(₹ in crore)

Particulars	31st March 2025	31st March 2024
(a) Current tax:		
In respect of current year	779.45	666.56
In respect of prior years	-	(1.63)
	779.45	**664.93**
(b) Deferred tax:		
In respect of current year origination and reversal of temporary differences	22.78	(69.08)
Adjustments due to changes in tax rates	-	-
Adjustments recognised in the current year in relation to the deferred tax of prior years	-	-
Write down / Reversal of previous write-downs of deferred tax assets	-	-
In respect of prior years	-	-
	22.78	**(69.08)**
Total Income tax recognized in Statement of profit and loss	**802.23**	**595.85**

(iii) Income tax recognized in Other Comprehensive Income

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Deferred tax related to items recognized in Other Comprehensive Income during the year :		
Remeasurement of defined employee benefits	2.51	1.67
Net gain / (loss) on equity instruments through OCI	(21.20)	-
Net fair value gain on investments in debt instruments at FVTOCI	(24.28)	(17.76)
Net fair value gain on investments in equity shares at FVTOCI	-	-
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	15.66	0.85
Investee's share of other comprehensive income of equity accounted investments	-	-
Total Income tax recognized in Other Comprehensive Income	**(27.31)**	**(15.24)**

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	(18.69)	1.67
Income taxes related to items that will be reclassified to profit or loss	(8.62)	(16.91)
Total	**(27.31)**	**(15.24)**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(iv) Reconciliation of estimated Income tax expense at tax rate to income tax expense reported in the Statement of profit and loss:

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Profit before tax	3,147.27	2,355.47
Applicable income tax rate	25.168%	25.168%
Expected income tax expense	792.10	592.82
Tax effect of adjustments to reconcile expected Income tax expense at tax rate to reported income tax expense:		
Effect of income exempt from tax		
Dividend Income	(3.89)	(0.73)
Effect of expenses / provisions not deductible in determining taxable profit		
a) Penalty (case settlement, MSME interest, other penalties)	0.06	0.08
b) Donation and CSR	14.51	6.36
c) Any other item	9.45	3.98
Effect of tax incentives and concessions (research and development and other allowances)		
a) Any Other Item	(7.09)	(5.03)
Adjustments recognised in the current year in relation to the current tax of prior years -	(2.91)	(1.63)
Reported income tax expense	**802.23**	**595.85**
Effective tax rate	**25.49%**	**25.30%**

During the year, the Company has opted to avail the benefits under the Vivad se Vishwas (VSV) Scheme 2024, introduced by the Government of India as a one-time dispute resolution initiative aimed at reducing pending tax litigation. The scheme allows taxpayers to settle disputed tax liabilities by paying the agreed amount without incurring interest or penalties, thereby promoting ease of compliance and efficient tax administration.

The Company has elected to settle various ongoing tax disputes covering AY 2003-04, AY 2004-05, AY 2005-06, AY 2008-09, AY 2012-13 under the VSV Scheme, for a cumulative period of five years. As a result, a total tax provision of ₹ 7.43 crore has been recognized in the financial statements for the year, representing the full and final settlement of the related tax demands for these years.

This decision is aligned with the Company's strategic objective of de-risking its operations from prolonged tax litigations and achieving greater certainty in tax positions. The management believes that opting for the scheme will result in substantial savings in terms of time, cost, and resources otherwise associated with tax-related legal proceedings. Further, it is expected to contribute positively to the overall financial health and governance framework of the Company.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

11 (a) Property, plant and equipments

(₹ in crore)

Particulars	Land (Freehold)	Buildings#	Computers and Data processing units	Furniture and fixtures	Office equipments	Vehicles	Vehicles under lease	Leasehold Improvement	Plant & Machineries under lease	Sub-Total (a)	Right-Of-Use Assets (Leasehold premises) - (b)	Total (a + b)
GROSS CARRYING AMOUNT												
Balance as at 1st April 2023	0.81	1.09	125.63	89.73	78.02	109.13	323.83	-	0.19	728.43	458.68	1,187.11
Additions during the year	-	-	36.23	8.20	11.79	34.56	204.53	9.94	-	305.25	86.81	392.06
Disposals / deductions during the year	-	-	21.73	7.00	7.27	28.37	67.83	-	0.05	132.25	37.87	170.12
Balance as at 31st March 2024	**0.81**	**1.09**	**140.13**	**90.93**	**82.54**	**115.32**	**460.53**	**9.94**	**0.14**	**901.43**	**507.62**	**1,409.05**
Balance as at 1st April 2024	**0.81**	**1.09**	**140.13**	**90.93**	**82.54**	**115.32**	**460.53**	**9.94**	**0.14**	**901.43**	**507.62**	**1,409.05**
Additions during the year	-	-	20.29	8.00	6.74	32.20	199.97	5.02	-	272.22	98.60	370.82
Disposals / deductions during the year##	0.81	-	7.16	3.37	4.21	34.34	88.01	-	0.14	138.04	74.59	212.63
Balance as at 31st March 2025	**-**	**1.09**	**153.26**	**95.57**	**85.07**	**113.19**	**572.49**	**14.96**	**-**	**1,035.62**	**531.63**	**1,567.25**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES												
Balance as at 1st April 2023	**-**	**0.35**	**81.62**	**72.83**	**60.75**	**61.26**	**86.76**	**-**	**0.13**	**363.70**	**142.21**	**505.91**
Additions during the year	-	0.01	29.09	5.76	7.96	20.67	75.16	0.67	-	139.32	79.19	218.51
Disposals / deductions during the year	-	-	21.66	6.63	7.19	22.16	30.93	-	0.04	88.61	37.87	126.48
Balance as at 31st March 2024	**-**	**0.36**	**89.05**	**71.96**	**61.52**	**59.77**	**130.99**	**0.67**	**0.09**	**414.41**	**183.53**	**597.94**
Balance as at 1st April, 2024	**-**	**0.36**	**89.05**	**71.96**	**61.52**	**59.77**	**130.99**	**0.67**	**0.09**	**414.41**	**183.53**	**597.94**
Additions during the year	-	0.02	30.19	5.48	7.67	23.02	86.63	1.62	-	154.62	82.15	236.77
Disposals / deductions during the year	-	-	7.11	3.21	4.13	24.42	38.69	-	0.09	77.65	66.20	143.85
Balance as at 31st March 2025	**-**	**0.38**	**112.13**	**74.23**	**65.06**	**58.37**	**178.93**	**2.29**	**-**	**491.38**	**199.48**	**690.86**
NET CARRYING AMOUNT												
As at 31st March 2024	**0.81**	**0.73**	**51.08**	**18.98**	**21.01**	**55.56**	**329.54**	**9.27**	**0.05**	**487.02**	**324.09**	**811.11**
As at 31st March 2025	**-**	**0.71**	**41.12**	**21.34**	**20.01**	**54.82**	**393.57**	**12.67**	**-**	**544.24**	**332.15**	**876.38**

Secured Non-Convertible Debentures(NCDs) have pari passu charge on building situated at Chhatrapati Sambhaji Nagar erstwhile "Aurangabad" having carrying value of ₹ 0.03 crore as on 31st March 2025 (31st March 2024: ₹ 0.03 crore).

During the year the Company has sold freehold land property.

There is no immovable property where title deed of such immovable property is not held in name of the Company or jointly held with others.

The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets).

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

11 (b) Capital Work in Progress

As at 31st March 2025

(₹ in crore)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	0.52	-	-	-	0.52
Total	**0.52**	**-**	**-**	**-**	**0.52**

As at 31st March 2024

(₹ in crore)

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	0.15	-	-	-	0.15
Total	**0.15**	**-**	**-**	**-**	**0.15**

12 (a) Intangible assets under development

As at 31st March 2025

(₹ in crore)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	65.10	-	-	-	65.10
Project temporarily suspended	-	-	-	-	-
Total	**65.10**	**-**	**-**	**-**	**65.10**

As at 31st March 2024

(₹ in crore)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	105.10	-	-	-	105.10
Project temporarily suspended	-	-	-	-	-
Total	**105.10**	**-**	**-**	**-**	**105.10**

12 (b) Other Intangible assets

(₹ in crore)

Particulars	Computer Software
GROSS CARRYING AMOUNT	
Balance as at 1st April 2023	119.77
Additions during the year	10.46
Deductions during the year	-
Balance as at 31st March 2024	**130.23**
Balance as at 1st April 2024	130.23
Additions during the year	194.93
Deductions during the year	-
Balance as at 31st March 2025	**325.16**
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	
Balance as at 1st April 2023	105.42
Additions during the year	10.20
Deductions during the year	-
Balance as at 31st March 2024	**115.62**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in crore)

Particulars	Computer Software
Balance as at 1st April 2024	115.62
Additions during the year	36.65
Deductions during the year	-
Balance as at 31st March 2025	**152.27**
NET CARRYING AMOUNT	
As at 31st March 2024	14.61
As at 31st March 2025	**172.89**

The Company has not revalued its Intangible Assets.

13 Other non-financial assets

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Capital advances	81.67	84.08
Prepaid expenses	89.90	67.13
Balances with Government Authorities	485.80	377.99
Unamortized placement and arrangement fees paid on borrowing instruments	-	0.11
Insurance advances	27.10	13.07
Other advances	24.28	18.37
Total	**708.75**	**560.75**

14 Derivative financial instruments

(₹ in crore)

Particulars	31st March 2025		31st March 2024	
	Notional amounts	Fair value of Liabilities	Notional amounts	Fair value of Liabilities
Currency / interest rate derivatives unhedged: (refer note 54 (III))				
Currency swaps	241.06	47.05	709.00	154.30
Total (A)	**241.06**	**47.05**	**709.00**	**154.30**
Currency / interest rate derivatives hedged : (refer note 54 (III))				
Forward contracts	4,303.13	262.76	835.52	177.40
Currency swaps	1,541.16	80.24	827.70	3.57
Total (B)	**5,844.29**	**343.00**	**1,663.22**	**180.97**
Total derivative financial instruments (A+B)	**6,085.35**	**390.05**	**2,372.22**	**335.27**

Movement in Cash Flow Hedge Reserve

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Balance at the beginning of the year	(7.28)	(4.74)
Recognised on Cash Flow Hedge Reserve	(62.23)	(3.39)
Reclassified to profit or loss	-	-
Income Tax relating to gain/ loss on the OCI	15.65	0.85
	(53.86)	**(7.28)**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

15 Payables

(₹ in crore)

Particulars	31st March 2025	31st March 2024
I) Trade Payables		
i) total outstanding dues of micro enterprises and small enterprises	-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,208.56	1,459.47
II) Other Payables		
i) total outstanding dues of micro enterprises and small enterprises	2.71	2.80
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17.62	62.62
Total	**1,228.89**	**1,524.89**

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below :

(₹ in crore)

Particulars	31st March 2025	31st March 2024
a) Dues remaining unpaid to any supplier at the year end		
- Principal	2.71	2.80
- Interest on the above		
b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of the MSMED Act		
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
d) Amount of interest accrued and remaining unpaid		
e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-
Total	**2.71**	**2.80**

Trade Payables Ageing schedule

As at 31st March 2025

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	2.71	-	-	-	2.71
ii) Others	1,179.69	25.22	10.41	10.86	1,226.18
Total	**1,182.40**	**25.22**	**10.41**	**10.86**	**1,228.89**
Disputed dues -					
- MSME	-	-	-	-	-
- Others	-	-	-	-	-

There is neither an instance where due date is not specified nor there is any unbilled due.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

As at 31st March 2024

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	2.80	-	-	-	2.80
ii) Others	1,476.64	23.03	7.57	14.85	1,522.09
Total	**1,479.44**	**23.03**	**7.57**	**14.85**	**1,524.89**
Disputed dues -					
- MSME	-	-	-	-	-
- Others	-	-	-	-	-

There is neither an instance where due date is not specified nor there is any unbilled due.

16 Debt Securities

(₹ in crore)

Particulars	31st March 2025	31st March 2024
At Amortized cost		
Non-convertible debentures (Secured)	22,974.56	21,738.39
Non-convertible debentures (Unsecured)	1,076.79	1,076.52
Commercial Papers (Unsecured)	2,153.48	4,882.12
Total	**26,204.83**	**27,697.03**
Debt securities in India	26,204.83	27,697.03
Debt securities outside India	-	-
Total	**26,204.83**	**27,697.03**

Note: There is no debt securities measured at FVTPL or designated at FVTPL.

The Secured Non-convertible debentures are secured by pari-passu charges on Buildings (forming part of PPE) and exclusive charges on receivables under loan contracts having carrying value of ₹ 24,995.84 crore (March 2024: ₹ 23,571.34 crore).

There are no redeemed bonds/debentures which the Company has power to reissue.

Details of Non-convertible debentures (Secured) :

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
A) Issued on private placement basis (wholesale) -				
Repayable on maturity :				
Maturing within 1 year	6.25%-9.00%	6,283.50	7.45%-8.95%	4,529.50
Maturing between 1 year to 3 years	7.90%-8.25%	6,724.23	6.25%-9.00%	9,523.50
Maturing between 3 years to 5 years	7.75%-8.48%	5,102.50	7.90%-8.25%	754.35
Maturing beyond 5 years	7.45%-8.00%	2,900.50	7.45%-8.48%	4,978.00
Sub-total at face value		**21,010.73**		**19,785.35**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in crore)

From the Balance Sheet date	31st March 2025 Interest rate range	31st March 2025 Amount	31st March 2024 Interest rate range	31st March 2024 Amount
Repayable in Half yearly instalments :				
Maturing within 1 year	6.35%	112.50	6.35%	56.25
Maturing between 1 year to 3 years	6.35%	56.25	6.35%	168.75
Sub-total at face value		**168.75**		**225.00**
Total at face value (A)		**21,179.48**		**20,010.35**
B) Issued on retail public issue -				
Repayable on maturity :				
Maturing between 1 year to 3 years	9.20%-9.30%	869.15	9.20%-9.30%	869.15
Sub-total at face value (B)		**869.15**		**869.15**
Total at face value (A+B)		**22,048.63**		**20,879.50**
Less: Unamortized discounting charges		21.78		31.10
Add: Interest accrued but not due		947.72		889.98
Total amortized cost		**22,974.56**		**21,738.39**

Details of Non-convertible debentures (Unsecured) :

(₹ in crore)

From the Balance Sheet date	31st March 2025 Interest rate range	31st March 2025 Amount	31st March 2024 Interest rate range	31st March 2024 Amount
Repayable on maturity :				
Maturing beyond 5 years	8.53%	1,000.00	8.53%	1,000.00
Total at face value		**1,000.00**		**1,000.00**
Less: Unamortized discounting charges		4.30		4.59
Add: Interest accrued but not due		81.09		81.11
Total amortized cost		**1,076.79**		**1,076.52**

Details of Commercial Papers (Unsecured):

(₹ in crore)

From the Balance Sheet date	31st March 2025 Interest rate range	31st March 2025 Amount	31st March 2024 Interest rate range	31st March 2024 Amount
Repayable on maturity :				
Maturing within 1 year	7.75%-8.00%	2,175.00	7.69%-8.30%	4,975.00
Total at face value		**2,175.00**		**4,975.00**
Less: Unamortized discounting charges		21.52		92.88
Total amortized cost		**2,153.48**		**4,882.12**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

17 Borrowings (Other than Debt Securities)

(₹ in crore)

Particulars	31st March 2025	31st March 2024
At Amortized cost		
a) Term loans		
i) Secured -		
- from banks	52,998.12	44,788.39
- External Commercial Borrowings	7,022.09	2,156.61
- Associated liabilities in respect of securitization transactions	8,684.41	5,597.66
- Triparty repo dealing and settlement (TREPs) against Government securities	999.82	1,534.71
ii) Unsecured -		
- WCDL from banks	-	2.47
- from other parties	-	150.82
b) Loans from related parties		
Unsecured -		
- Inter-corporate deposits (ICDs)	21.64	63.96
c) Other loans and advances		
Unsecured -		
- Inter-corporate deposits (ICDs) other than related parties	8.84	172.60
Total	**69,734.92**	**54,467.22**
Borrowings in India	62,712.83	52,310.61
Borrowings outside India	7,022.09	2,156.61
Total	**69,734.92**	**54,467.22**

Note: There is no borrowings measured at FVTPL or designated at FVTPL.

The secured term loans from banks and External Commercial Borrowings are secured by exclusive charges on receivables under loan contracts having carrying amount of ₹ 62,770.62 crore (March 2024: ₹ 51,919.57 crore).

The borrowings have not been guaranteed by Directors or others. Also the Company has not defaulted in repayment of principal and interest.

Details of term loans from banks (Secured)

(₹ in crore)

From the Balance Sheet date	31st March 2025 Interest rate range	31st March 2025 Amount	31st March 2024 Interest rate range	31st March 2024 Amount
1) Repayable on maturity :				
Maturing within 1 year	7.60%-9.20%	1,601.00	6.75%-8.95%	2,636.00
Maturing between 1 year to 3 years	7.70%	400.00	7.70%-8.30%	480.00
Total for repayable on maturity		**2,001.00**		**3,116.00**
2) Repayable in instalments :				
i) Monthly -				
Maturing between 1 year to 3 years		-		-
Sub-Total		-		-
i) Quarterly -				
Maturing within 1 year	5.70%-8.95%	11,894.49	5.15%-8.70%	7,687.85
Maturing between 1 year to 3 years	5.75%-8.55%	19,015.52	5.70%-8.70%	13,757.19
Maturing between 3 years to 5 years	6.40%-8.55%	4,491.13	5.75%-8.35%	4,880.88
Sub-Total		**35,401.14**		**26,325.92**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
ii) Half yearly -				
Maturing within 1 year	6.72%-9.05%	2,971.98	6.25%-8.80%	3,504.30
Maturing between 1 year to 3 years	7.75%-9.05%	4,951.18	6.97%-8.80%	5,443.01
Maturing between 3 years to 5 years	7.79%-8.60%	1,406.78	7.80%-8.80%	2,535.81
Maturing beyond 5 years	7.90%	50.00	8.15%	111.12
Sub-Total		**9,379.94**		**11,594.24**
iii) Yearly -				
Maturing within 1 year	7.19%-9.00%	2,154.17	7.59%-9.00%	1,585.00
Maturing between 1 year to 3 years	8.30%-9.00%	3,717.50	7.59%-9.00%	2,666.67
Maturing between 3 years to 5 years	8.55%	250.00	8.50%-9.00%	955.00
Sub-Total		**6,121.67**		**5,206.67**
Total for repayable in instalments		**50,902.75**		**43,126.83**
Total (1+2) (As per contractual terms)		**52,903.75**		**46,242.83**
Less: Unamortized Finance Cost		(0.25)		(0.47)
Add: Interest accrued but not due		94.62		80.74
Total Amortized Cost		**52,998.12**		**46,323.10**

The rates mentioned above are the applicable rates as at the year end date linked to MCLR (Marginal Cost of funds based Lending Rate), RBI Policy Repo Rate, Mibor, and Treasury bills plus spread.

Disclosure of information related to borrowings from banks or financial institutions on the basis of security of current assets

The quarterly returns or statements comprising (book debt statements and other stipulated financial information) filed by the Company with such banks are in agreement with the books of account of the Company except for certain differences which has been duly reconciled and presented here below.

Summary of reconciliation

Year ended 31st March 2025

(₹ in crore)

Particulars	Quarter ended			
	June 2024	September 2024	December 2024	March 2025
Value as per quarterly returns / statements filed with Banks	1,243.07	1,320.09	2,974.17	2,805.17
Difference in Overdue balance due to credits not considered in returns	0.14	6.69	30.75	10.78
Ind AS adjustments related to Effective Interest Rate (EIR) / Amortized cost	4.18	3.56	4.42	5.97
Value as per Ind AS books of account	**1,247.39**	**1,330.34**	**3,009.34**	**2,821.92**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Year ended 31st March 2024

(₹ in crore)

Particulars	Quarter ended			
	June 2023	September 2023	December 2023	March 2024
Value as per quarterly returns / statements filed with Banks	2,567.53	2,556.60	2,556.49	2,557.03
Difference in Overdue balance due to credits not considered in returns	34.14	25.59	18.41	62.93
Ind AS adjustments related to Effective Interest Rate (EIR) / Amortized cost	9.82	5.46	7.89	7.45
Value as per Ind AS books of account	**2,611.49**	**2,587.66**	**2,582.79**	**2,627.41**

Details of External Commercial Borrowings (USD & JPY)

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Maturing within 1 year	6.61%-8.11%	1,793.49	6.61%	363.59
Maturing between 1 year to 3 years	7.68%-8.22%	5,134.88	6.61%-8.11%	1,743.99
		6,928.38		**2,107.58**
Less: Unamortized Finance Cost		(27.60)		5.53
Add: Interest accrued but not due		121.31		54.56
Total		**7,022.09**		**2,156.61**

Details of associated liabilities related to Securitization transactions

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Maturing within 1 year	4.76%-8.00%	3,454.15	3.70%-7.55%	2,538.53
Maturing between 1 year to 3 years	4.76%-8.00%	4,518.97	3.70%-7.55%	2,643.24
Maturing between 3 years to 5 years	6.20%-8.00%	680.90	4.76%-7.55%	410.67
Maturing beyond 5 years	6.20%-7.45%	18.79	-	-
		8,672.80		**5,592.45**
Add: Interest accrued but not due		11.61		5.21
Total		**8,684.41**		**5,597.66**

Details of Triparty repo dealing and settlement (TREPs) against Government securities

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Maturing within 1 year	6.30%-6.65%	1,000.00		-
		1,000.00		**-**
Add: Interest accrued but not due		(0.18)		-
Total		**999.82**		**-**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Details of Unsecured term loans from banks

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year		-	9.25%	2.47
		-		**2.47**
Less: Unamortized Finance Cost		-		-
Add: Interest accrued but not due		-		-
Total		**-**		**2.47**

Details of Unsecured term loans from others

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year		-	8.20%	75.00
Maturing between 1 year to 3 years		-	8.20%	75.00
		-		**150.00**
Add: Interest accrued but not due		-		0.82
Total		**-**		**150.82**

Details of Loans from related parties & Other Parties (Unsecured) - Inter-corporate deposits (ICDs)

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Inter-corporate deposits (ICDs) (Related Parties)				
Repayable on maturity :				
Maturing within 1 year	6.25%	18.50	6.25%-7.80%	41.00
Maturing between 1 year to 3 years		-	6.25%	18.50
		18.50		**59.50**
Add: Interest accrued but not due		3.14		4.46
		21.64		**63.96**
Inter-corporate deposits (ICDs) (Other Than Related Parties)				
Repayable on maturity :				
Maturing within 1 year	7.75%	8.50	7.50%-8.00%	170.00
		8.50		**170.00**
Add: Interest accrued but not due		0.34		2.60
Total		**8.84**		**172.60**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

18 Deposits

(₹ in crore)

Particulars	31st March 2025	31st March 2024
At amortized cost		
Deposits (Unsecured)		
- Public deposits *	6,947.62	6,109.41
- Accepted from corporates	4,456.53	1,434.77
Total	**11,404.15**	**7,544.18**

Note: There is no deposits measured at FVTPL or designated at FVTPL.

* as defined in chapter II, para 3 (xiii) of Master directions - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 as issued by RBI.

There are no amounts that are due and remain unpaid to Investor Education and Protection Fund as at the close of the year. there was no delay in transferring any amount to the Investor Education and Protection Fund by the Company.

Details of Deposits (Unsecured) - Public deposits

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year	5.75% - 8.45%	3,993.64	5.65% - 9.15%	2,660.39
Maturing between 1 year to 3 years	5.90% - 8.45%	5,904.55	5.75% - 8.45%	3,588.40
Maturing beyond 3 years	7.25% - 8.45%	1,028.25	5.09% - 8.40%	948.41
Total at face value		**10,926.45**		**7,197.20**
Less: Unamortized discounting charges		33.20		22.46
Add: Interest accrued but not due		510.90		369.44
Total amortized cost		**11,404.15**		**7,544.18**

19 Subordinated liabilities

(₹ in crore)

Particulars	31st March 2025	31st March 2024
At Amortized cost (Unsecured)		
Subordinated redeemable non-convertible debentures - private placement	2,967.30	1,652.29
Subordinated redeemable non-convertible debentures - retail public issue	2,562.27	2,617.86
Total	**5,529.57**	**4,270.15**
Subordinated liabilities in India	5,529.57	4,270.15
Subordinated liabilities outside India	-	-
Total	**5,529.57**	**4,270.15**

Note: There is no Subordinated liabilities measured at FVTPL or designated at FVTPL.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Details of Subordinated liabilities (at Amortized cost) - Unsecured subordinated redeemable non-convertible debentures

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
A) Issued on private placement basis -				
Repayable on maturity :				
Maturing within 1 year	8.90%-9.10%	175.00	9.18%-9.60%	215.00
Maturing between 1 year to 3 years		-	8.90%-9.10%	175.00
Maturing beyond 5 years	7.35%-8.35%	2,712.90	7.35%-8.35%	1,212.90
Sub-total at face value (A)		**2,887.90**		**1,602.90**
B) Issued on retail public issue -				
Repayable on maturity :				
Maturing within 1 year		-	7.75%-7.85%	59.32
Maturing between 1 year to 3 years	7.90%-9.00%	1,380.25	8.53%-9.00%	933.01
Maturing between 3 years to 5 years	9.35%-9.50%	336.87	7.90%-9.50%	784.12
Maturing beyond 5 years	7.95%-8.05%	643.96	7.95%-8.05%	643.96
Sub-total at face value (B)		**2,361.09**		**2,420.41**
Total at face value (A+B)		**5,248.99**		**4,023.31**
Less: Unamortized discounting charges		19.29		17.65
Add: Interest accrued but not due		299.87		264.49
Total amortized cost		**5,529.57**		**4,270.15**

The Company has used the borrowings from banks and financial institutions as per note numbers 16 to 18 for the specific purpose for which these were availed.

In respect of all the borrowings, there is no default in payment of either principal or interest.

The Company has not been declared as wilful defaulter by any bank or financial Institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

20 Other financial liabilities

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Unclaimed dividends#	0.66	0.57
Unclaimed matured deposits and interest accrued thereon#	3.82	4.37
Deposits / advances received against loan agreements	45.39	35.51
Insurance premium payable	19.81	3.42
Salary, Bonus and performance payable	6.34	8.80
Provision for expenses	258.29	210.08
Lease liabilities (refer note 40)	383.19	367.92
Amount payable under assignment of receivables	0.67	-
Others	72.43	57.25
Total	**790.60**	**687.92**

There are no amounts due for transfer to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

21 Provisions

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Provision for employee benefits		
- Gratuity (refer note 35)	27.39	8.70
- Leave encashment	81.58	84.38
- Bonus, incentives and performance pay	102.29	112.03
- Post retirement medical benefit	5.09	-
Provision for loan commitment	0.69	0.02
Total	**217.04**	**205.13**

22 Other non-financial liabilities

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Deferred subvention income	6.28	14.37
Statutory dues and taxes payable	154.34	125.76
Others *	5.55	10.54
Total	**166.17**	**150.67**

* Others include monies adjusted from share capital and other equity on account of shares held by MMFSL ESOP Trust pending transfer to the eligible employees and lease rental advances.

23 Equity Share capital

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Authorized:		
2,50,00,00,000 (31st March 2024: 2,50,00,00,000) Equity shares of ₹2/- each	500.00	500.00
50,00,000 (31st March 2024: 50,00,000) Redeemable preference shares of ₹100/- each	50.00	50.00
Issued, Subscribed and paid-up:		
1,23,55,29,920 (31st March 2024: 1,23,55,29,920) Equity shares of ₹2/- each fully paid up	247.11	247.11
Less : 6,68,537 (31st March 2024: 11,43,808) Equity shares of ₹2/- each fully paid up issued to ESOP Trust under Company's ESOP Schemes but not yet allotted to employees pending exercise of stock options by employees	0.13	0.23
Adjusted Issued, Subscribed and paid-up Share capital	**246.98**	**246.88**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in crore)

Particulars		31st March 2025		31st March 2024	
		No. of shares	₹ in crore	No. of shares	₹ in crore
a)	**Reconciliation of number of equity shares and amount outstanding:**				
	Issued, Subscribed and paid-up:				
	Balance at the beginning of the year	1,23,55,29,920	247.11	1,23,55,29,920	247.11
	Balance at the end of the year	1,23,55,29,920	247.11	1,23,55,29,920	247.11
	Less: Shares issued to ESOP Trust but not yet allotted to employees	6,68,537	0.13	11,43,808	0.23
	Adjusted Issued, Subscribed and paid-up Share capital	**1,23,48,61,383**	**246.98**	**1,23,43,86,112**	**246.88**
b)	**Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates:**				
	Holding Company: Mahindra & Mahindra Limited	64,43,99,987	128.88	64,43,99,987	128.88
	Percentage of holding (%)	52.16%		52.16%	
c)	**Shareholders holding more than 5 percent of the aggregate shares:**				
	Mahindra & Mahindra Limited	64,43,99,987	128.88	64,43,99,987	128.88
	Percentage of holding (%)	52.16%		52.16%	

d) Terms / rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Other Equity

Description of the nature and purpose of Other Equity (refer Statement of Changes in Equity) :

Statutory reserve as per Section 45-IC of the RBI Act, 1934

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilized only for limited purposes as specified by RBI from time to time and every such utilization shall be reported to the RBI within specified period of time from the date of such utilization.

Capital redemption reserve (CRR)

Capital redemption reserve represents reserve created pursuant to Section 55 (2) (c) of the Companies Act, 2013 by transfer of an amount equivalent to nominal value of the Preference shares redeemed. The CRR may be utilized by the Company, in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares in accordance with the provisions of the Companies Act, 2013.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

General reserve

General reserve is created through annual transfer of profits at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer specified percentage of net profits to General reserve has been withdrawn. However, the amount previously transferred to the General reserve can be utilized only in accordance with the specific requirements of the Companies Act, 2013.

Employee stock options outstanding

The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at grant date fair value on stock options vested but not exercised by employees and unvested stock options in the Statement of profit and loss in respect of equity-settled share options granted to the eligible employees of the Company and its subsidiaries in pursuance of the Employee Stock Option Plan.

Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend pay-outs, transfers to General reserve or any such other appropriations to specific reserve.

Elements of Other Equity with balance:

(₹ in crore)

Particulars	Nature and purpose	31st March 2025	31st March 2024
Statutory reserve as per Section 45-IC of the RBI Act, 1934	Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilized only for limited purposes as specified by RBI from time to time and every such utilization shall be reported to the RBI within specified period of time from the date of such utilization.	3,352.35	2,883.35
Capital redemption reserve	Capital redemption reserve represents reserve created pursuant to Section 55 (2) (c) of the Companies Act, 2013 by transfer of an amount equivalent to nominal value of the Preference shares redeemed. The CRR may be utilized by the Company, in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares in accordance with the provisions of the Companies Act, 2013.	50.00	50.00
Securities premium	Securities premium is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.	7,195.09	7,185.65
General reserve	General reserve is created through annual transfer of profits at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer specified percentage of net profits to General reserve has been withdrawn. However, the amount previously transferred to the General reserve can be utilized only in accordance with the specific requirements of the Companies Act, 2013.	798.61	798.20

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in crore)

Particulars	Nature and purpose	31st March 2025	31st March 2024
Employee stock options outstanding	The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at grant date fair value on stock options vested but not exercised by employees and unvested stock options in the Statement of profit and loss in respect of equity-settled share options granted to the eligible employees of the Company and its subsidiaries in pursuance of the Employee Stock Option Plan.	9.18	12.24
Retained earnings	Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend pay-outs, transfers to General reserve or any such other appropriations to specific reserve.	8,128.10	7,037.93
Other comprehensive income			
- Debt instruments through OCI	The Company recognises changes in the fair value of debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the FVOCI debt investments reserve. The Company transfers amounts from this reserve to profit or loss when the debt instruments are derecognised. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.	1.26	(70.94)
- Equity instruments through OCI	The Company has opted to recognise changes in the fair value of certain investments in equity in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity investments are derecognised.	84.51	21.46
- Effective portion of cash flow hedges	It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.	(53.85)	(7.28)
Total		**19,565.25**	**17,910.61**

Dividend distributions made and proposed

i) Dividend on equity shares declared and paid during the year

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Dividend paid	778.38	741.32
Profit for the relevant year	1,759.62	1,984.32
Dividend as a percentage of profit for the relevant year	44.2%	37.4%

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

ii) Dividends proposed for approval at the annual general meeting (not recognised as a liability as at respective reporting date)

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Face value per share (₹)	2.00	2.00
Dividend percentage	325%	315%
Dividend per share (₹)	6.50	6.30
Total Dividend on Equity shares (a)	803.09	778.38
Profit after tax for the relevant year (b)	2,345.04	1,759.62
Dividend proposed as a percentage of profit after tax (a/b)	34.2%	44.2%

The dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013, as applicable.

24 Interest income

(₹ in crore)

Particulars	31st March 2025	31st March 2024
On financial instruments measured at Amortized cost (refer note 2.6)		
Interest on loans	14,255.57	12,150.12
Interest on Finance lease	124.31	72.76
Income from bill discounting	120.62	106.07
Interest income from investments	224.79	203.87
Interest on term deposits with banks	318.80	266.11
On financial instruments measured at fair value through OCI (refer note 2.11 (b))		
Interest income from investments in debt instrument	287.32	309.83
Total	**15,331.41**	**13,108.76**

Note: There is no loan asset measured at FVTPL.

25 Fees, charges and commission income

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Service charges and other fees income	280.08	155.75
Income from commission services - life insurance	149.94	-
Income from commission services - general insurance	61.31	-
Fees, commission / brokerage received from mutual fund distribution/other products	6.77	7.17
Collection fees related to transferred assets under securitization transactions	12.49	11.75
Total	**510.59**	**174.67**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss.

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Type of services or service		
Fees and commission income	510.59	174.67
Total revenue from contract with customers	**510.59**	**174.67**
Geographical markets		
India	510.59	174.67
Outside India	-	
Total revenue from contract with customers	**510.59**	**174.67**
Timing of revenue recognition		
Services transferred at a point in time	510.59	174.67
Services transferred over time	-	-
Total revenue from contract with customers	**510.59**	**174.67**

Contract balances

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Fees, commission and other receivables	53.02	24.74
	53.02	24.74

- Impairment loss allowance recognised on contract balances is ₹ Nil (Previous year ₹ Nil)
- Contract asset as on 31st March 2025 is Nil (Previous year Nil)

26 Net gain / (loss) on fair value changes

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Net gain / (loss) on financial instruments at FVTPL		
On trading portfolio		
- Investments	(0.42)	2.39
Others - Mutual fund units	6.56	2.86
Total Net gain / (loss) on financial instruments at FVTPL	**6.14**	**5.25**
Fair value changes :		
- Realized	1.31	-
- Unrealized	4.83	5.25
Total Net gain / (loss) on financial instruments at FVTPL	**6.14**	**5.25**

Note: Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

27 Other income

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Net gain on derecognition of property, plant and equipment	4.10	6.65
Net gain on sale investments measured at amortized cost	-	1.95
Income from shared services	45.04	146.17
Others	6.60	0.62
Total	**55.74**	**155.39**

Note: Income from shared services include marketing income from insurers of ₹ 35.62 crore during the year ended 31st March 2025 (31st March 2024: ₹ 140.16 crore).

28 Finance costs

(₹ in crore)

Particulars	31st March 2025	31st March 2024
On financial liabilities measured at Amortized cost		
Interest on deposits	728.83	473.41
Interest on borrowings	4,484.08	3,399.09
Interest on debt securities	2,362.83	2,191.45
Interest on subordinated liabilities	372.01	295.79
Net loss / (gain) in fair value of derivative financial instruments	(107.25)	9.47
Interest expense on lease liabilities (refer note 40)	31.04	26.35
Others	26.76	31.38
Total	**7,898.30**	**6,426.94**

Note: There are no financial liabilities measured at FVTPL.

29 Impairment on financial instruments

(₹ in crore)

Particulars	31st March 2025	31st March 2024
On financial instruments measured at Amortized cost		
Bad debts and write offs	1,558.91	1,714.88
Loans	57.65	114.49
Investments	-	(0.98)
Loan commitment	0.67	(0.41)
Trade receivables and other contracts	0.63	(5.19)
Total	**1,617.86**	**1,822.79**

Note: There are no financial instruments measured at FVOCI.

30 Employee benefits expenses

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Salaries and wages	1,756.36	1,588.35
Contribution to provident funds and other funds	110.86	87.51
Share based payments to employees	7.25	4.49
Staff welfare expenses	28.66	32.28
Total	**1,903.13**	**1,712.63**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

31 Depreciation, amortization and impairment

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Depreciation on Property, Plant and Equipment (refer note 11)	154.62	139.32
Amortization and impairment of intangible assets (refer note 12)	36.65	10.20
Depreciation on Right of Use Asset (refer note 11 and 40)	82.15	79.19
Total	**273.42**	**228.71**

32 Other expenses

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Rent	12.61	12.78
Rates and taxes, excluding taxes on income	8.32	9.76
Electricity charges	18.18	18.17
Repairs and maintenance	11.01	12.06
Communication costs	48.07	51.82
Printing and stationery	12.80	12.99
Advertisement and publicity	26.61	40.22
Directors' fees, allowances and expenses	4.22	3.81
Auditor's fees and expenses -		
- Audit fees (including quarterly limited reviews)	1.66	1.48
- Other services	0.54	0.46
- Reimbursement of expenses	0.07	0.01
Legal and professional charges	154.57	149.21
Insurance	58.99	52.30
Manpower outsourcing cost	193.66	122.03
Donations	23.04	0.18
Corporate Social Responsibility (CSR) expenses (refer note 45)	34.61	29.98
Conveyance and travel expenses	147.84	150.65
Other expenses	380.07	238.07
Total	**1,136.87**	**905.98**

33 Earning Per Share (EPS)

Basic EPS is calculated in accordance with Ind AS 33 'Earnings Per Share' by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Profit for the year (₹ in crore)	2,345.04	1,759.62
Weighted average number of Equity Shares used in computing basic EPS	1,23,46,29,576	1,23,39,32,506
Effect of potential dilutive Equity Shares	4,16,316	6,47,658
Weighted average number of Equity Shares used in computing diluted EPS	1,23,50,45,892	1,23,45,80,164
Basic Earnings per share (₹) (Face value of ₹ 2/- per share)	18.99	14.26
Diluted Earnings per share (₹)	18.99	14.25

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

34 Employee Stock Option Plan (ESOP)

The Company had allotted 48,45,025 Equity shares (face value of ₹2/- each) (adjusted for stock-split in the ratio of 5:1 in February 2013) under Employee Stock Option Scheme 2010 at par on 3rd February 2011 to Mahindra and Mahindra Financial Services Limited Employees' Stock Option Trust ("the Trust") set up by the Company. The Trust holds these shares for the benefit of employees and allots equity shares to eligible employees on exercise of stock options as per the terms and conditions of ESOP scheme granted as per the recommendation of the Compensation Committee.

Pursuant to the Rights issue of one equity share for every equity share held as on record date, at an issue price of ₹50 per Equity Share (including a premium of ₹ 48 per Equity Share), made by the Company, 20,63,662 equity shares have been allotted to the Trust in respect of its rights entitlement on 17th August 2020. All the option holders (beneficiaries) under existing grants have automatically became entitled to additional options at ₹50/- per option as rights adjustment and accordingly, the number of outstanding options stand augmented in the same ratio as the rights issue. All the terms and conditions applicable to these additional options issued under rights issue have remained same as original grant.

Upon exercise of stock options, including additional options issued as per Rights issue, under the scheme by eligible employees, the Trust had issued 70,25,425 equity shares to employees up to 31st March 2025 (31st March 2024: 65,50,154 equity shares), of which 4,75,271 equity shares (31st March 2024: 7,87,641 equity shares) were issued during the current year. This has resulted in an increase in equity share capital by ₹ 0.10 crore for the year ended 31st March 2025 (31st March 2024 : ₹ 0.16 crore).

a) The terms and conditions of the Employees Stock Option Plans

i) Employees Stock Option Scheme 2010

Particulars	Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOP Trust
Contractual life	3 years from the date of each vesting
Number of vested options exercisable	Minimum of 50 or number of options vested whichever is lower
Method of settlement	By issue of shares at exercise price
Vesting conditions	In 5 equal tranches @ 20% each on expiry of 12, 24, 36, 48 and 60 months from the date of grant

ii) MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED - RESTRICTED STOCK UNITS PLAN 2023 ("MMFSL RSU PLAN 2023")

Newly formulated employee stock option plan, namely, Mahindra and Mahindra Financial Services Limited - Restricted Stock Units Plan 2023 ("MMFSL RSU PLAN 2023") in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, and the same was approved by the Board of Directors in their meeting held on 28th April 2023.

Particulars	Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOP Trust
Contractual life	5 years from the date of each vesting
Vesting terms & conditions	RSUs granted under the MMFSL RSU Plan 2023 shall vest not earlier than minimum Vesting Period of 1 (One) year and not later than the maximum Vesting Period of 7 (Seven) years from the date of Grant of such RSUs,
	The vesting of RSUs would be based on achievement of performance parameters. The Committee would lay down the parameters for vesting of RSUs which would include one or more of the Company performance parameters such as: a) Asset Quality b) Assets Under Management (AUM) Growth

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Particulars	Terms and conditions
	c) Cost control
	d) Profit growth
	e) Return on Assets (ROA)
	f) Digital maturity: use of technology and data
	g) Environmental, Social & Governance (ESG) performance
Vesting Schedule	In 3 or 5 equal tranches on expiry of 12, 24 and 36 months (i.e. 33.33% each) or on expiry of 12, 24,36,48, 60 months (i.e. 20% each), up to a maximum of 7 years from the grant date
Number of vested options exercisable	Minimum of 50 or number of options vested whichever is lower
Method of settlement	By issue of shares at exercise price

b) Options granted during the year:

i) Employee Stock Option Scheme 2010

After formulation of new scheme - MMFSL RSU PLAN 2023, no further stock options can be granted under the old scheme - Employees' Stock Option Scheme 2010. However, live options already vested can be exercised within the validity period as per the terms and conditions of the scheme.

Following are the stock option grants under this scheme which were live during the year with remaining validity period for exercise of vested options.

Particulars	Grant dated 5th January 2017	Grant dated 24th January 2018	Grant dated 24th October 2018
Exercise price (₹)	2.00	2.00	2.00
Fair value of option (₹)	337.36	495.92	355.34

ii) MMFSL RSU PLAN 2023

During the year ended 31st March 2025, the Company has granted 6,49,326 stock options (31st March 2024 : 2,83,171) to eligible employees under the newly formulated employee stock option plan, namely, MMFSL RSU PLAN 2023, in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, which was approved by the Board of Directors in their meeting held on 28th April 2023.

Following are the grants which are liver under MMFSL RSU PLAN 2023.

Particulars	Grant dated 21st October 2024	Grant dated 23rd April 2024	Grant dated 26th October 2023
Exercise price (₹)	2.00	2.00	2.00
Fair value of option (₹)	262.53	246.47	246.47

The key assumptions used in black-Scholes model for calculating fair value as on the date of grant are:

Particulars	Year ended 31st March 2025		Year ended 31st March 2024
	Grant dated 21st October 2024	Grant dated 23rd April 2024	Grant dated 26th October 2023
Variables#			
1) Risk free interest rate	6.64%	7.08%	7.29%
2) Expected life	4.50 years	5.50 years	4.51 years
3) Expected volatility	42.83%	44.27%	45.98%
4) Dividend yield	2.16%	2.15%	2.19%
5) Price of the underlying share in the market at the time of option grant (₹)	291.00	278.85	273.60

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

c) i) Summary of stock options - Employee Stock Option Scheme 2010 :

(₹ in crore)

Particulars	As at 31st March 2025		As at 31st March 2024	
	No. of stock options	Weighted average exercise price (₹)#	No. of stock options	Weighted average exercise price (₹)#
Options outstanding at the beginning of the year	6,12,763	26.97	14,34,983	26.91
Options granted during the year	-	-	-	-
Options expired/forfeited during the year	11,350	27.45	12,392	26.00
Options cancelled/lapsed during the year	-	-	22,187	35.33
Options exercised during the year	4,44,786	27.09	7,87,641	26.63
Options outstanding at the end of the year	1,56,627	26.58	6,12,763	26.97
Options vested but not exercised at the end of the year	1,56,627	26.58	6,12,763	26.97

Adjusted for additional options issued in the ratio of one equity share for every one equity share held under Rights issue made by the Company during August 2020. The options issued under ESOP scheme 2010 are exercisable at ₹2/- per option and adjustment options issued under Rights issue are exercisable at ₹50/- each, including premium of ₹ 48/- per option (being the issue price under Rights allotment).

ii) Summary of stock options - MMFSL RSU PLAN 2023:

(₹ in crore)

Particulars	As at 31st March 2025		As at 31st March 2024	
	No. of stock options	Weighted average exercise price (₹)#	No. of stock options	Weighted average exercise price (₹)#
Options outstanding at the beginning of the year	2,83,171	2.00	-	-
Options granted during the year	6,49,326	2.00	2,83,171	2.00
Options expired/forfeited during the year	8,804	2.00	-	-
Options cancelled/lapsed during the year #	85,674	2.00	-	-
Options exercised during the year	30,485	2.00	-	-
Options outstanding at the end of the year	8,07,534	2.00	2,83,171	2.00
Options vested but not exercised at the end of the year	36,216	2.00	-	-

includes 9,194 options cancelled / lapsed on account of true-down effect applied on the specific tranche of the grant covering all the beneficiaries due to non-achievement of specified performance parameters at the Company level for the year ended 31st March 2024 as per the terms and conditions of the MMFSL RSU PLAN 2023.

True-down of options:

The vesting of options under each tranche of individual grants under MMFSL RSU PLAN 2023 is subject to achievement of specified performance parameters at the Company level and at the individual level for the relevant financial year as approved by the Nomination and Remuneration Committee (NRC) of the Board of Directors. If actual performance in a relevant financial year against the specified parameters is lower than the defined thresholds, the granted options under a particular tranche would vest in proportion to the level of actual performance (true-down effect) and that proportion of options attributable to lower performance would be cancelled / lapsed with corresponding write-back of compensation expense already recognized in the statement of profit and loss.

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d) Information in respect of options outstanding :

(₹ in crore)

Exercise price	As at 31st March 2025		As at 31st March 2024	
	No. of stock options	Weighted average remaining life	No. of stock options	Weighted average remaining life
Employee Stock Option Scheme 2010 -				
- At ₹2.00 per option	76,411	14 months	294,002	24 months
- At ₹50.00 per option	80,216	14 months	318,761	23 months
MMFSL RSU PLAN 2023 -				
- At ₹2.00 per option	807,534	79 months	283,171	80 months
	964,161		**895,934**	

e) Average share price at recognized stock exchange on the date of exercise of the option is as under:

Year ended 31st March 2025		Year ended 31st March 2024	
Date of exercise	Weighted average share price (₹)	Date of exercise	Weighted average share price (₹)
01st April 2024 to 31st March 2025	286.73	01st April 2023 to 31st March 2024	275.35

f) Determination of expected volatility

The measure of volatility used in the Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.

The determination of expected volatility is based on historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the option being valued. The period considered for volatility is adequate to represent a consistent trend in the price movements and the movements due to abnormal events are evened out.

Accordingly, since each vest has been considered as a separate grant, the model considers the volatility for periods, corresponding to the expected lives of different vests, prior to the grant date. Volatility has been calculated based on the daily closing market price of the Company's stock price on NSE over these years. Similar approach was followed in determination of expected volatility based on historical volatility for all the grants under the scheme.

In respect of stock options granted under Employee Stock Option Scheme 2010 and MMFSL RSU PLAN 2023, the accounting is done as per the requirements of Ind AS 102 - Share-based payment. Consequently, ₹7.25 crore (31st March 2024: ₹4.49 crore) has been included under 'Employee Benefits Expense' as 'Share-based payment to employees' based on respective grant date fair value, after adjusting for reversals on account of options forfeited. The amount includes cost reimbursements (net of recoveries of ₹ 0.21 crore) to the holding company of ₹1.68 crore (31st March 2024: ₹ 1.69 crore) in respect of options granted to employees of the Company and excludes net recovery of ₹0.09 crore (31st March 2024: ₹0.01 crore) from its subsidiaries for options granted to their employees.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

35 Employee benefits

General description of defined benefit plans

Gratuity

The Company provides for the gratuity, a defined benefit retirement plan covering qualifying employees . The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under The Payment of Gratuity Act, 1972. The Company makes annual contribution to the Gratuity scheme administered by the Life Insurance Corporation of India, HDFC life and Kotak life insurance through its Gratuity fund.

Post retirement medical cover

The Company provides for post retirement medical cover to select grade of employees to cover the retiring employee and their spouse up to a specified age through Mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk -

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments

Interest rate risk -

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Variability in withdrawal rates -

If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Regulatory Risk -

Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). There is a risk of change in the regulations requiring higher gratuity payments (e.g. raising the present ceiling of ₹ 20,00,000, raising accrual rate from 15/26 etc.).

Inflation risk -

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement medical benefit obligation is sensitive to medical inflation and accordingly, an increase in medical inflation rate would increase the plan's liability.

Salary Risk -

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk -

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

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Concentration Risk -

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low.

Life expectancy -

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

If actual mortality rates are higher than assumed mortality rate assumption then the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Details of defined benefit plans as per actuarial valuation are as follows:

(₹ in crore)

Particulars	Funded Plan		Unfunded Plan	
	Gratuity		Post retirement medical benefits	
	Year ended March 31		Year ended March 31	
	2025	2024	2025	2024
I. Amounts recognized in the Statement of Profit & Loss				
Current service cost	17.14	15.55	-	-
Net Interest cost	0.63	1.02		
Past service cost	-	-	5.09	-
Interest Income	-	(6.94)	-	-
Adjustment due to change in opening balance of Plan assets	-	(8.57)	-	-
Total expenses included in employee benefits expense	**17.76**	**1.06**	**5.09**	**-**
II. Amount recognized in Other Comprehensive income				
Remeasurement (gains)/losses:				
a) Actuarial gains/(losses) arising from changes in -				
- demographic assumptions	0.92	0.10		
- financial assumptions	(3.60)	(2.57)	-	-
- experience adjustments	(11.34)	4.23	-	-
b) Return on plan assets, excluding amount included in net interest expense/ (income)	4.04	(8.41)	-	-
Total amount recognized in other comprehensive income	**(9.99)**	**(6.64)**	**-**	**-**
III. Changes in the defined benefit obligation				
Opening defined benefit obligation	146.41	125.73	-	-
Current service cost	17.14	15.55	-	-
Past service cost	-	-	5.09	-
Interest expense	10.53	9.43	-	-

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for the year ended 31st March 2025

(₹ in crore)

Particulars	Funded Plan		Unfunded Plan	
	Gratuity		Post retirement medical benefits	
	Year ended March 31		Year ended March 31	
	2025	2024	2025	2024
Remeasurement (gains)/losses arising from changes in -				
- demographic assumptions	(0.92)	(0.10)	-	-
- financial assumptions	3.60	2.57	-	-
- experience adjustments	11.34	(4.23)	-	-
Benefits paid	(32.02)	(2.54)	-	-
Closing defined benefit obligation	**156.08**	**146.41**	**5.09**	**-**
IV. Change in the fair value of plan assets during the year				
Opening Fair value of plan assets	137.71	103.59	-	-
Interest income	9.90	15.35	-	-
Expected return on plan assets	4.04	(8.41)	-	-
Contributions by employer	9.05	21.15	-	-
Adjustment due to change in opening balance of Plan assets	-	8.57	-	-
Actual Benefits paid	(32.02)	(2.54)	-	-
Closing Fair value of plan assets	**128.68**	**137.71**	**-**	**-**
V. Net defined benefit obligation				
Defined benefit obligation	(156.08)	(146.40)	(5.09)	-
Fair value of plan assets	128.68	137.70	-	-
Surplus/(Deficit)	(27.39)	(8.70)	(5.09)	-
Current portion of the above	(27.39)	-	(0.05)	-
Non current portion of the above	-	(8.70)	(5.04)	-
VI. Expected contribution for the next reporting year	**31.65**	**27.71**	**-**	**-**

Actuarial assumptions and Sensitivity

(₹ in crore)

Particulars	Funded Plan		Unfunded Plan	
	Gratuity		Post retirement medical benefits	
	31st March 2025	31st March 2024	31st March 2025	31st March 2024
I. Actuarial assumptions				
Discount Rate (p.a.)	6.54%	7.22%	6.82%	-
Attrition rate	31.08 for age up to 30, 22.10 for age 31-50, 12.24 for 51 and above	27.00 for age up to 30, 15.00 for age 31-44, 5.00 for 45 and above	34.08 for age up to 30, 22.10 for age 31-50, 12.24 for 51 and above	-
Expected rate of return on plan assets (p.a.)	6.54%	7.50%	NA	-
Rate of Salary increase (p.a.)	7.00%	7.00%	-	-
Medical cost inflation (p.a.)	-	-	7.00%	-
Retirement Age	60 years	60 years	60 years	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in crore)

Particulars	Funded Plan		Unfunded Plan	
	Gratuity		Post retirement medical benefits	
	31st March 2025	31st March 2024	31st March 2025	31st March 2024
In-service Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Urban	-
Payment Mortality	-	-	Indian Individual Annuitant's Mortality Table (2012-15)	-
II. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as follows:				
One percentage point increase in discount rate	(5.46)	(9.95)	(0.66)	-
One percentage point decrease in discount rate	5.94	11.17	0.79	-
One percentage point increase in Salary growth rate	5.85	11.17	-	-
One percentage point decrease in Salary growth rate	(5.48)	(9.87)	-	-
One percentage point increase in attrition rate	(0.36)	-	(0.42)	-
One percentage point decrease in attrition rate	0.38	-	0.47	-
One percentage point increase in medical inflation rate	-	-	0.78	-
One percentage point decrease in medical inflation rate	-	-	(0.66)	-
III. Maturity profile of defined benefit obligation				
Within 1 year	30.96	21.00	0.05	-
Between 1 and 5 years	84.48	118.33	0.40	-
Between 6 and 10 years	55.87	-	1.32	-
11 years and above	35.72	-	13.71	-

The estimate of future salary increases, considered in actuarial valuation, considers inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plan assets have been primarily invested in government securities and corporate bonds.

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

The Company's contribution to provident fund, superannuation fund and national pension scheme aggregating to ₹ 80.67 crore (31st March 2024: ₹78.39 crore) has been recognized in the Statement of profit and loss under the head Employee benefits expense.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Compensated Absences

The principal assumptions used in determining obligations for the Company are shown below:

Particulars	Year ended March 31	
	2025	2024
Rate of discounting	6.54%	7.22%
Expected rate of salary increase	7.00%	7.00%
Attrition rate	31.08 for age up to 30, 22.10 for age 31-50, 12.24 for 51 and above	27.00 for age up to 30, 15.00 for age 31-44, 5.00 for 45 and above
Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Ultimate
Expenses recognised in statement of profit and loss	10.45	9.57

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at 31st March 2025.

The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated term of the obligation.

Long Term Incentive Scheme

The Long-Term Incentive Plan is annually granted along with the performance cycle at the end of the financial year and determined on the individual performance rating criteria, awarded LTIP will vest equally in 3 years. This incentive scheme is launched in current financial year.

Actuarial assumptions and Sensitivity

Particulars	Year ended March 31	
	2025	2024
Retirement Age	60 Years	-
Discount Rate	6.54%	-
Attrition Rate	8.00%	-
Performance Measurement	99%	-

Reconciliation of the Liability recognised in the Balance Sheet:

Particulars	Year ended March 31	
	2025	2024
Opening Net Liability	-	-
Expense recognised in the P&L	1.39	-
Contribution/Benefit Paid by the Company	-	-
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	1.39	-

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at 31st March 2025.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated term of the obligation.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

36 Additional disclosures

i) During the financial years ended 31st March 2025 and 31st March 2024, the Company has not granted any loans or advances in the nature of loans to promoters, Directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person (a) repayable on demand or (b) without specifying any terms or period of repayment.

ii) There is no Benami Property held by the Company and there is no proceeding initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

iii) Disclosure of transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956

As at 31st March 2025

	Name of Struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31st March 2025 (₹ in crore)	Relationship with the Struck off company, if any, to be disclosed
1	SHIRIDI SRISAI SOLUTIONS PVT LIMITED	Receivables	0.18	External
2	CONSOLE CARGO LOGISTICS SERVICES (I) PRIVATE LIMITED	Receivables	0.04	External
3	SAMBODHI TECH SOLUTIONS PRIVATE LIMITED	Receivables	0.05	External
4	BALAJI INFRASTRUCTURE T&D PRIVATE LIMITED	Receivables	0.76	External
5	VH SQUARE HEALTHCARE PVT LTD	Receivables	0.06	External
6	PALLAVI INFRA HOLDING PRIVATE LIMITED	Receivables	0.07	External
7	PROBUS INFRATECH PRIVATE LIMITED	Receivables	0.06	External
8	MILLPOND HUMAN RESOURCE PRIVATE LIMITED	Receivables	-	External
9	SATHESRI AGRO PRODUCTS PRIVATE LIMITED	Receivables	-	External
10	ASVRJ LOGISTIC PRIVATE LIMITED	Receivables	-	External
11	PUNEETH TECHNO PROJECTS (OPC) PRIVATE LIMITED	Receivables	-	External
12	4 SQUARE FITNESS PRIVATE LIMITED	Receivables	-	External
13	COCOWINGS ENTERPRISES PRIVATE LIMITED	Receivables	-	External
14	ZAFCON ENGINEERING PRIVATE LIMITED	Receivables	-	External
15	RETONA MOTORS PRIVATE LIMITED	Receivables	0.09	External
16	CHOWDHARY MOTORS PRIVATE LIMITED	Payables	0.05	External
17	APARNA AUTOMOBILES PRIVATE LIMITED	Payables	0.01	External
18	LIANCE CONSULTANT&ENGINEERS PRIVATE LIMITED	Payables	-	External
19	GOMATESHWAR INVESTMENTS PVT LTD	Corporate Depositor	0.02	External
20	VMS CONSULTANTS PVT. LTD.	Corporate Depositor	0.70	External
21	DREAMS BROKING PRIVATE LIMITED	Shares Held by Struck of Company	476*	External
22	UNICKON FINCAP PRIVATE LIMITED	Shares Held by Struck of Company	689*	External

* Number of Equity Shares

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

As at 31st March 2024

	Name of Struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31st March 2024 (₹ in crore)	Relationship with the Struck off company, if any, to be disclosed
1	ASVRJ LOGISTIC PRIVATE LIMITED	Receivables	0.00	External
2	MANSAROVAR INDIA AQUA BEVERAGES PRIVATE LIMITED	Receivables	-	External
3	SHIRIDI SRISAI SOLUTIONS PRIVATE LIMITED	Receivables	0.23	External
4	SAMEODHI TECH SOLUTIONS PRIVATE LIMITED	Receivables	0.09	External
5	MILLPOND HUMAN RESOURCE PRIVATE LIMITED	Receivables	0.05	External
6	SATHESRI AGRO PRODUCTS PRIVATE LIMITED	Receivables	0.04	External
7	CONSOLE CARGO LOGISTICS SERVICES (I)PRIVATE LIMITED	Receivables	0.06	External
8	PROBUS INFRATECH PRIVATE LIMITED	Receivables	0.06	External
9	PARVATHI LIFE SCIENCES (OPC) PRIVATE LIMITED	Receivables	-	External
10	MRA REFINO PRIVATE LIMITED	Receivables	-	External
11	PUNEETH TECHNO PROJECTS (OPC) PRIVATE LIMITED	Receivables	0.01	External
12	4 SQUARE FITNESS PRIVATE LIMITED	Receivables	0.01	External
13	COCOWINGS ENTERPRISES PRIVATE LIMITED	Receivables	0.01	External
14	KIRAN ENVIRO-TECH ENERGY PRIVATE LIMITED	Receivables	-	External
15	PALLAVI INFRA HOLDING PRIVATE LIMITED	Receivables	0.09	External
16	VH SQUARE HEALTHCARE PRIVATE LIMITED	Receivables	0.07	External
17	BALAJI INFRASTRUCTURE PRIVATE LIMITED	Receivables	0.76	External
18	AUTO WORLD PRIVATE LIMITED	Receivables	-	External
19	ZAFCON ENGINEERING PRIVATE LIMITED	Receivables	0.01	External
20	LIANCE CONSULTANT&ENGINEERS PRIVATELIMITED	Receivables	0.00	External
21	FAIRDEAL MOTORS AND WORKSHOP PVT. LTD.	Payables	-	External
22	GOMATESHWAR INVESTMENTS PVT LTD	Corporate Depositor	0.02	External
23	SAFNA CONSULTANCY PRIVATE LIMITED	NCD	0.00	External
24	DREAMS BROKING PRIVATE LIMITED	Shares held by stuck off Company	476*	External
25	UNICKON FINCAP PRIVATE LIMITED	Shares held by stuck off Company	689*	External

* Number of Equity Shares

iv) There is no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.

v) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

vi) Utilisation of Borrowed funds and share premium:

A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall -

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall -

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

viii) There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

ix) All the secured non-convertible debentures of the Company including those issued during the year ended 31st March 2025 are fully secured by pari-passu charge on Aurangabad office (wherever applicable) and / or exclusive charge on present and/or future receivables under Loan contracts/Hire Purchase/Lease, owned Assets and book debts. Further, the Company in respect of secured listed non-convertible debt securities maintains 100% security cover or higher security cover as per the terms of Term Sheet/ Offer document/Information Memorandum and/or Debenture Trust Deed, sufficient to discharge the principal amount and the interest thereon.

The asset cover available as on 31st March 2025 in respect of listed secured debt securities is 1.08 (31st March 2024: 1.08).

37 Analytical Ratios

Particulars	As at 31st March 2025			As at 31st March 2024	% Variance	Reasons for variance (if above 25%)
	Numerator (₹ in crore)	Denominator (₹ In crore)	Ratio	Ratio		
Total Capital ratio (CRAR)	21,437.51	116,967.79	18.33%	18.87%	-2.87%	NA
Tier - I capital ratio	17,835.12	116,967.79	15.25%	16.39%	-7.00%	NA
Tier - II capital ratio	3,602.40	116,967.79	3.08%	2.47%	24.49%	During the current year, the Company has raised Tier II capital of ₹ 1,500 crore
Liquidity Coverage Ratio	NA	NA	277%	311%	-10.82%	NA

38 Transactions in the nature of change in ownership in group entities

During the previous year, the Company has completed the acquisition of 20,61,856 Equity shares of ₹10 each of MIBL, at a price of ₹ 1001 per share on 22nd September 2023 involving a pay-out of ₹206.39 crore which has resulted in an increase in equity investment of an equivalent amount. Consequent to this acquisition, MIBL has become a wholly owned subsidiary of the Company effective from 22nd September 2023.

39 Capital management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt as may be appropriate.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

The Company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

The Company has complied with all regulatory requirements related to capital and capital adequacy ratios as prescribed by RBI.

Regulatory capital

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Tier - I capital	17,835.12	16,308.04
Tier - II capital	3,602.40	2,462.39
Total Capital	21,437.51	18,770.43
Aggregate of Risk Weighted Assets	116,967.79	99,531.86
Tier - I capital ratio	15.25%	16.39%
Tier - II capital ratio	3.08%	2.47%
Total Capital ratio	18.33%	18.86%

"Tier I Capital" means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

"owned fund" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

"Tier II capital" includes the following -

(a) preference shares other than those which are compulsorily convertible into equity;

(b) revaluation reserves at discounted rate of fifty five percent;

(c) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets. 12 month expected credit loss (ECL) allowances for financial instruments i.e. where the credit risk has not increased significantly since initial recognition, shall be included under general provisions and loss reserves in Tier II capital within the limits specified by extant regulations. Lifetime ECL shall not be reckoned for regulatory capital (numerator) while it shall be reduced from the risk weighted assets.

(d) hybrid debt capital instruments; and

(e) subordinated debt to the extent the aggregate does not exceed Tier I capital.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Aggregate Risk Weighted Assets -

Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on-balance sheet assets and off- balance sheet assets. Hence, the value of each of the on-balance sheet assets and off- balance sheet assets requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio.

40 Leases

I) In the cases where assets are taken on operating lease (as lessee) -

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises, certain IT equipments and general purpose office equipments used for operating activities.

a) Maturity Analysis - Contractual Undiscounted Cash Flow:

(₹ in crore)

Particulars	As at 31st March 2025	As at 31st March 2024
Less than 1 year	101.56	86.64
1 - 3 years	169.31	151.97
3 - 5 years	116.99	116.52
More than 5 years	85.90	107.04
Total undiscounted lease liabilities	473.76	462.17

b) Other disclosures:

Following table summarizes other disclosures including the note references for the expense, asset and liability heads under which certain expenses, assets and liability items are grouped in the financial statements.

(₹ in crore)

Particulars	Amount for the year ended / As at	
	31st March 2025	31st March 2024
i) Depreciation charge for Right-Of-Use assets for Leasehold premises (presented under note - 31 "Depreciation, amortization and impairment")	82.15	79.19
ii) Interest expense on lease liabilities (presented under note - 28 "Finance costs")	31.04	26.35
iii) Expense relating to short-term leases (included in Rent expenses under note 32 "Other expenses")	3.56	2.50
iv) Expense relating to leases of low-value assets (included in Rent expenses under note 32 "Other expenses")	9.05	10.28
v) Payments for lease liability	102.41	94.85
vi) Additions to right-of-use assets during the year (refer note 11)	98.60	86.81
vii) Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset -		
- Property taken on lease for office premises (presented under note - 11 "Property, plant and equipments")	332.15	324.09
viii) Lease liabilities (presented under note - 20 "Other financial liabilities")	383.19	367.92

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

II) In the cases where assets are given on operating lease (as lessor) -

Key terms of the lease are as below :

i) Both New and Used vehicles are offered on Lease for a tenure ranging from 24 to 60 months.

ii) Customised leasing solutions are offered with value-added services like Fleet Management with regards to vehicle maintenance, Insurance management including claim settlement, pick-up and drop, replacement vehicle etc

iii) The consideration payable is the monthly lease rental which varies based on the make / model of the vehicle and tenure leased.

Rental income arising from these operating leases is accounted for on a straight-line basis over the lease tenure and is included in rental income in the Statement of profit and loss. Costs, including depreciation, incurred in earning the lease income are recognized as an expense.

Below are the list of risk mitigation strategy adopted by the Company for the underlying assets as per provisions of Ind AS 116

- All the leased assets are insured.
- Hypothecation of assets in the name of company.
- Asset confirmations is obtained from lessee's on quarterly basis.
- Security deposit obtained to reduce the exposure on a case to case basis based on Customer profile.
- Variable lease payments based on usage of vehicles.

Other details are as follows:

(₹ in crore)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
i) New vehicles to retail customers on operating lease -		
Gross carrying amount	571.59	457.80
Depreciation for the year	86.62	75.03
Accumulated Depreciation	178.05	128.31
ii) Used and refurbished vehicles to travel operators / taxi aggregators -		
Gross carrying amount	0.90	2.71
Depreciation for the year	0.01	0.12
Accumulated Depreciation	0.87	2.68

The total future minimum lease rentals receivable for the non-cancellable lease period as at the Balance sheet date is as under:

(₹ in crore)

Particulars	As at 31st March 2025	As at 31st March 2024
New vehicles to retail customers on operating lease -		
Not later than one year	124.58	140.89
Later than one year but not later than five years	225.38	279.08
Later than five years	0.01	-
Total	**349.97**	**419.97**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Since there is no contingent rent applicable in respect of these lease arrangements, the Company has not recognized any income as contingent income during the year.

III) In the cases where assets are given on finance lease (as lessor) - Reconciliation of undiscounted lease payment to net investment :

(₹ in crore)

Particulars	As at 31st March 2025	As at 31st March 2024
Gross Investment	1,090.81	722.92
Less : Unearned Income	165.11	121.60
Net Investment before charging allowance for Impairment loss	925.70	601.32
Less : Allowance for Impairment losses	7.52	4.02
Total Net Investment	918.18	597.30

Maturity analysis :

(₹ in crore)

Particulars	Within 1 year	1 to 5 years	Over 5 years	Total
Gross Investment	405.85	684.90	0.06	1,090.81
Less : Unearned Income	83.79	81.32	-	165.11
Net investment before charging allowance for Impairment loss	322.06	603.58	0.06	925.70

41 Operating segments

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.

The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31st March 2025 or 31st March 2024.

The Company is engaged primarily in the business of financing in India. During the current fiscal, the Company has started the activities as Corporate Agent (Composite) for providing insurance solutions. 'Fees, charges and commission income' include fees / commission income from insurance agency business amounting to ₹ 211.25 crore for the year ended 31st March 2025.

42 Frauds reported during the year

There were 208 cases (31st March 2024: 160 cases) of frauds amounting to ₹6.33 crore (31st March 2024: ₹142.63 crore) reported during the year. Out of the fraud cases reported during the current year, the Company has recovered an amount of ₹2.26 crore (31st March 2024: ₹5.34 crore) and has initiated appropriate legal actions against the individuals involved. The claims for the un-recovered losses have been lodged with the insurance companies on merit basis.

43 Contingent liabilities and commitments (to the extent not provided for)

(₹ in crore)

Particulars	31st March 2025	31st March 2024
i) Contingent liabilities		
Demand against the Company not acknowledged as debts -		
- Income Tax matters where Company has gone in Appeal	38.13	42.82
- Goods & Service Tax matters where Company has gone in Appeal	0.89	0.89
- Service Tax matters where Company has gone in Appeal	93.66	90.30
- Value Added Tax matters where Company has gone in Appeal	44.70	44.70
Disputed claims against the Company lodged by various parties under litigation (to the extent quantifiable)	5.47	4.89
Guarantees	868.56	1,451.69
	1,051.41	**1,635.30**
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	92.86	47.58
Other commitments - loan sanctioned but not disbursed	234.39	28.00
	327.25	**75.58**
Total	**1,378.67**	**1,710.88**

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Income Tax, service tax, sales tax / VAT, Goods and Services Tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial performance and financial position regarding the amounts disclosed above, it is not practicable to disclose information on the possibility of any reimbursements as it is determinable only on the occurrence of uncertain future events."

44 Transfer of financial assets

a) Transferred financial assets that are not derecognized in their entirety - Securitization transactions

The Company has transferred certain pools of fixed rate loan receivables backed by underlying assets in the form of tractors, vehicles, equipments etc. by entering in to securitization transactions with the Special Purpose Vehicle Trusts ("SPV Trust") sponsored by Commercial banks for consideration received in cash at the inception of the transaction.

The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Pay-out Account maintained by the SPV Trust for making scheduled pay-outs to the investors in Pass Though Certificates (PTCs) issued by the SPV Trust. These securitization transactions also requires the Company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral, subscription to subordinated PTCs. as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the de-recognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as "Associated liability related to Securitization transactions" under Note no.17.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

The following table provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for de-recognition, together with the associated liabilities:

(₹ in crore)

Particulars	As at 31st March 2025	As at 31st March 2024
Securitizations -		
Carrying amount of transferred assets measured at amortized cost	8,541.39	5,561.43
Carrying amount of associated liabilities	8,672.79	5,592.45
Fair value of transferred assets (A)	8,400.38	5,397.94
Fair value of associated liabilities (B)	8,845.87	5,698.61
Net position (A-B)	(445.48)	(300.67)

b) Transferred financial assets that are not derecognized in their entirety - Assignment Deals

During the year ended 31st March 2025, the Company had sold loans and advances measured at amortized cost as per assignment deals undertaken by the Company. As per the terms of these deals, since substantial risk and reward related to these assets were transferred to the buyer, the assets have been derecognized from the Company's balance sheet to the extent of share of assignee.

The management has evaluated the impact of assignment deals done during the year for its business model. Based on the future business plans, the Company's business model remains to hold the assets for collecting contractual cash flows.

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 80% to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The following table provide a summary of the carrying amount of the derecognised financial assets:

(₹ in crore)

Particulars	As at 31st March 2025	As at 31st March 2024*
Direct Assignment -		
Carrying amount of de-recognized financial assets measured at amortized cost	41.34	-
Carrying amount of exposures retained by the Company at amortised cost	10.33	-

* During the previous year, the Company has not transferred or acquired any loan exposures through assignment / novation and loan participation.

45 Corporate Social Responsibility (CSR)

As per Section 135 of the the Companies Act, 2013, the Company is required to spend 2% of its average Net Profit of the immediately three preceding financial years on CSR.

The Company's CSR mission aims to actively contribute to the socio-economic development of communities, enabling individuals to partake in and derive benefits from the ongoing socio-economic progress. The Company is dedicated to integrating economically, physically, and socially challenged groups into mainstream society through its CSR initiatives.

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company

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reviews the sectors/activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.

During the year ended 31st March 2025, the Company has incurred an expenditure of ₹ 34.10 crore (31st March 2024: ₹ 24 crore) towards CSR activities which includes contribution / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and expense of ₹ 0.51 crore (31st March 2024: ₹ 1.23 crore) towards the CSR activities undertaken by the Company.

Detail of amount spent towards CSR activities :

a) Gross amount required to be spent by the Company during the year is ₹34.58 crore (31st March 2024: ₹ 29.96 crore).

b) Amount approved by the Board to be spent during the year : ₹34.58 crore (31st March 2024: ₹ 29.96 crore).

c) Amount spent by the Company during the year on :

(₹ in crore)

Particulars	For the year ended 31st March 2025			For the year ended 31st March 2024		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
i) Construction / acquisition of any asset	-	-	-	-	-	-
ii) On purpose other than (i) above*	34.61	-	34.61	25.27	-	25.27

* The amount during previous year spend is including ₹0.02 crore excess spent on other than related to an ongoing projects

d) Amount of shortfall at the end of the year: NIL (for relating to an ongoing project)

In case of S. 135(5) unspent amount

(₹ in crore)

Opening balance	Amount deposited in Specified Fund of Sch.VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Amount required to be transferred to unspent bank account related to ongoing project	Closing Balance
4.71	4.71	4.71	4.71	-	-

e) Nature of CSR activities: Contributions / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and CSR activities undertaken by the Company.

f) Provision made with respect to a liability already incurred by entering into a contractual obligation : Nil

46 There was no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

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for the year ended 31st March 2025

47 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

48 Reconciliation of movement of liabilities to cash flows arising from financing activities

Year ended 31st March 2025

(₹ in crore)

Particulars	1st April 2024	Cash flows (net)	Exchange difference	Others	31st March 2025
Debt securities	26,725.94	(1,564.11)	-	14.19	25,176.02
Borrowings (Other than debt securities)	54,318.83	15,134.02	43.39	7.67	69,503.91
Deposits	7,174.74	3,733.33	-	(14.82)	10,893.25
Subordinated liabilities	4,005.66	1,225.96	-	(1.92)	5,229.70
Lease liabilities	367.92	(102.41)	-	117.68	383.19
Total	**92,593.09**	**18,426.79**	**43.39**	**122.80**	**111,186.07**

Year ended 31st March 2024

(₹ in crore)

Particulars	1st April 2023	Cash flows (net)	Exchange difference	Others	31st March 2024
Debt securities	24,745.07	1,966.42		14.45	26,725.94
Borrowings (Other than debt securities)	41,234.06	13,157.98	(76.49)	3.28	54,318.83
Deposits	5,524.60	1,655.37	-	(5.23)	7,174.74
Subordinated liabilities	3,442.13	559.85	-	3.68	4,005.66
Lease liabilities	349.61	(94.85)	-	113.16	367.92
Total	**75,295.47**	**17,244.77**	**(76.49)**	**129.34**	**92,593.09**

49 Financial Risk Management Framework

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

Board of Directors of the Company have established Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring risk management policies for its business. The Company's financial services business is exposed to high credit risk given the unbanked rural customer base and diminishing value of collateral. The credit risk is managed through credit norms established based on historical experience.

49.1 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.

Notes forming part of the Standalone Financial Statements

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a) Pricing Risk

The Company's Investments in Commercial Papers, Certificate of Deposits with Banks and Mutual Funds are exposed to pricing risk. A 5 percent increase in market price would increase profit before tax by approximately ₹ 150.11 crore (31st March 2024 : ₹ 88.90 crore). A similar percentage decrease would have resulted equivalent opposite impact.

b) Currency Risk

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its derivative Risk Management Policy which has been approved by its Board of Directors. The Company manages its foreign currency risk by entering into forward contract, cross currency swaps, principal and interest rate swaps. Other derivative Instruments may be used if deemed appropriate.

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows :

(₹ in crore)

Particulars	JPY	US Dollar	Total
As at 31st March 2025			
Financial Assets	-	-	-
Financial Liabilities	936.53	5964.24	6,900.77
As at 31st March 2024			
Financial Assets	-	-	-
Financial Liabilities	1,270.88	831.17	2,102.05

Hedge Accounting - Forwards & Swaps

Contracts that meet the requirements for hedge accounting are accounted as per the hedge accounting requirements of Ind AS 109 -Financial Instruments. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed. Hedge effectiveness for all hedges are 100%.

Details of foreign currency forward contracts and swaps outstanding at the end of reporting period

(₹ in crore)

Outstanding Contracts	2025		2024	
	Notional Value (#)	Carrying amount of hedging instrument included in Other Financial Assets / (Liabilities)	Notional Value (#)	Carrying amount of hedging instrument included in Other Financial Assets / (Liabilities)
Cash Flow Hedges				
Buy Currency				
Maturing in 1+ years				
JPY/INR	-	-	831.13	(176.47)
USD/INR	5,141.00	(90.32)	-	-
Maturing less than year				
JPY/INR	831.13	(221.16)	4.39	(0.93)
USD/INR	827.70	17.08	827.70	(3.57)

There are no significant transactions of hedges which are ineffective.

Notional value of respective currency pair have been converted into presentation currency i.e. INR using year end closing exchange rate.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

The movements in cash flow hedge reserve for instruments designated in a cash flow hedge are as follows:

(₹ in crore)

Particulars	2025			2024		
	Exchange Rate Risk hedges	Interest Rate Risk hedges	Total	Exchange Rate Risk hedges	Interest Rate Risk hedges	Total
Balance at the beginning of the year	(0.09)	(7.19)	(7.28)	5.30	(10.04)	(4.74)
(Gains)/Losses transferred to Profit or Loss on occurrence of the forecast transaction	-	-	-	-	-	-
Change in fair value of effective portion of cash flow hedges	4.71	(66.94)	(62.23)	(7.20)	3.81	(3.39)
Total	**4.62**	**(74.13)**	**(69.51)**	**(1.90)**	**(6.23)**	**(8.13)**
Deferred tax on the above	(1.19)	16.85	15.66	1.81	(0.96)	0.85
Balance at the end of the year	3.43	-57.28	-53.85	-0.09	-7.19	-7.28
Of the above:						
Balance relating to continuing hedges	3.43	(57.28)	(53.85)	(0.09)	(7.19)	(7.28)

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

(₹ in crore)

Particulars	Currency	Change in rate	Effect on OCI
Year ended 31st March 2025	INR/JPY	(+/-) 10.00%	(+/-) 93.77
	INR/USD	(+/-) 10.00%	(+/-) 599.07
Year ended 31st March 2024	INR/JPY	(+/-) 10.00%	(+/-) 127.38
	INR/USD	(+/-) 10.00%	(+/-) 83.37

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

c) Interest Rate Risk

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates.

Interest Rate risk on variable rate borrowings is managed by way of interest rate swaps, wherever necessary.

Interest Rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

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The carrying value of floating rate loans is ₹ 3,169.05 crore (31st March 2024: ₹ 2,687.01 crore) and floating rate borrowings is ₹ 43,245.87 crore (31st March 2024: ₹ 40,686.46 crore).

(₹ in crore)

Particulars	Currency	Increase / decrease in basis points	Effect on profit before tax
Year ended 31st March 2025	INR	100	400.77
Year ended 31st March 2024	INR	100	379.99

d) Off-setting of balances

The table below summarizes the financial liabilities offsetted against financial assets and shown on a net basis in the balance sheet :

Financial assets subject to offsetting

(₹ in crore)

Particulars	Offsetting recognized on the balance sheet		
	Gross assets before offset	Financial liabilities netted	Assets recognized in balance sheet
Loan assets			
At 31st March 2025	116,311.91	(97.89)	116,214.02
At 31st March 2024	99,292.33	(97.15)	99,195.18

49.2 Credit Risk Management

Credit risk is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of all its portfolios under respective business verticals based on Days past due. The customer repayment and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

i) Credit Quality of Financial Assets

The following table sets out information about credit quality of loans and investments measured at amortized cost primarily based on days past due information. The amount represents gross carrying amount.

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Gross carrying value of Retail loans including Finance Lease		
Neither Past due nor impaired	89,657.93	79,565.25
Past Due but not impaired:		
- 1-30 days past due	9,874.38	6,799.24
- 31-90 days past due	6,454.22	5,099.84
Impaired (more than 90 days)	4,340.48	3,440.93
Total Gross carrying value as at reporting date	**110,327.01**	**94,905.26**

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Gross carrying value of SME loans including Bills of exchange		
Neither Past due nor impaired	5,810.25	3,533.97
Past Due but not impaired:		
- 1-30 days past due	218.18	1,194.40
- 31-90 days past due	55.05	40.94
Impaired (more than 90 days)	65.07	43.10
Total Gross carrying value as at reporting date	**6,148.54**	**4,812.41**

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for the year ended 31st March 2025

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Gross carrying value of Trade Advances		
Less than 60 days past due	3,186.76	2,853.29
61-90 days past due	2.32	18.94
Impaired (more than 90 days)	8.38	6.87
Total Gross carrying value as at reporting date	**3,197.47**	**2,879.10**

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Gross carrying value of Financial Investments measured at amortised cost		
Neither Past due nor impaired	1,219.81	1,388.85
Past Due but not impaired:		
- 1-30 days past due	-	-
- 31-90 days past due	-	-
Impaired (more than 90 days)	-	-
Total Gross carrying value as at reporting date	**1,219.81**	**1,388.85**

The Credit quality of the loans is monitored concurrently. Since the Company is primarily into retail lending business, there is no significant credit risk of any individual customer that may impact the Company adversely, and hence the Company has calculated its ECL allowances on a collective basis.

ii) Inputs considered in the ECL model

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been classified into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorizes loan assets (except Trade advances) into stages primarily based on the Days Past Due status.

Stage 1 : 0-30 days past due

Stage 2 : 31- 90 days past due

Stage 3 : More than 90 days

The Company categorizes Trade advances into stages primarily based on the Days Past Due status.

Stage 1 : 0-60 days past due

Stage 2 : 61- 90 days past due

Stage 3 : More than 90 days

The ECL estimates are forward looking and include probability weighted outcomes. A macroeconomic overlay is applied to the observed default rate (ODR) considering portfolio specific macroeconomic factors that affect the Probability of Default (PD) due to underlying economic conditions of the country.

The Company has computed expected credit losses for Trade Advance Portfolio based on historical movement data, capturing transitions between stages and loss on historically written off unrecovered amounts from dealers.

For leasing portfolio comprising of Operating and Finance Lease, the Company uses ECL coverage of Industry Peers in similar business line, considering limited history of collection and loss data for the completed life cycle for these portfolios which is needed for determining PD and LGD parameters for computation of ECL allowance.

iii) Definition of default

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower account becomes more than 90 days past due on its contractual payments.

Since the Company's portfolio predominantly includes retail vehicle loan portfolio with around 3 million loan accounts making it difficult to define default at an individual loan account, the Company has considered the event of default when overdue is more than 90 days past due. The same is also in line with the regulator's definition of default, when overdue is more than 90 days past due.

iv) Exposure at default

Exposure at Default" (EAD) represents the gross exposure balance when default had occurred. EAD is subject to impairment calculation for Stage 3 assets. Future Expected Cash flows (Principal and Interest) for future years has been used as exposure for Stage 2.

v) Estimations and assumptions considered in the ECL model

The Company has made the following assumptions in the ECL Model:

a) Loss Given Default (LGD):

- LGD represents expected losses on the EAD given the event of default, taking into account the time value of cash flows from the date of default, discounted on effective interest rate (EIR). It is an estimate of the loss from a transaction given that a default occurred.

Generally, common LGD is applied on the exposures in all the three stages.

While, the general approach / methodology remains the same, the measurement of ECL on retail vehicle loans is done on a slightly differentiated approach as mentioned here below.

- For Stage 3 assets with an ageing more than 18 months (540 DPD) (stressed portfolio), provision is calculated by applying LGD at higher rate. Higher LGD rate is determined based on the historical loss that has occurred during the tenor of individual assets forming part of specific portfolio of contracts with an ageing of more than 18 months (540 DPD) at the historical period end date (i.e. 42 months from the reset /reporting date) based on the average life of the portfolio and is considered as model provision for ECL calculation instead of separate classification as overlay provision;

- For Stage 3 assets with an ageing up to 18 months (540 DPD), provision is calculated by applying the Composite LGD rate#;

- For Stage 1 and Stage 2 assets, continue to derive and apply Composite LGD rate in calculation of loss allowances.

Composite LGD rate : It is an estimate of the loss from a transaction given that a default occurs. It is based on the historical loss on the portfolio that has occurred during the tenor of the individual assets forming part of the portfolio. For calculating LGD, the Company takes into consideration the Stage 2 assets that have reached 90+ DPD in the past and Stage 3 cases of historical period end date (i.e. 42 months from the reset /reporting date) based on the average life of the portfolio. Actual cash flows pertaining to this portfolio from the first default date to current reset/reporting date are then discounted at Loan EIR rate for arriving at this loss rate.

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b) **Probability of Default (PD):**

- It is an estimate of likelihood of default occurring over a particular time horizon.
- For Stage 1 assets, 12 months PD is calculated .
- For Stage 2 assets , life time PD is calculated for which a PD term structure is built.
- PD is applied on Stage 1 and Stage 2 assets on a portfolio basis;
- For Stage 3 assets, PD is always at 100% as these are impaired assets.

The underlying methodology of Historical PD calculation remains the same for both Stage 1 and Stage 2 assets.

(vi) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted.

It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of respective portfolios over a period of time have been applied to determine impact of macroeconomic factors.

ECL allowance (or provision) on Stage 1 and Stage 2 assets is measured using portfolio approach, whereas impairment provisions on Stage 3 assets is measured at each individual asset / instrument level.

- **Financial assets that are not credit impaired at the reporting date:**

  ECL for Stage 1 : Gross exposure is multiplied by PD and Composite LGD percentage to arrive at the ECL allowance;

- **Financial assets that have had a significant increase in credit risk (SICR) since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment:**

  ECL for Stage 2 : Future Expected Cash flows (Principal and Interest) for respective future years is multiplied by respective years Marginal PDs and Composite LGD percentage and thus arrived ECL allowance is then discounted with the respective loan EIR to calculate the present value of ECL allowance. In addition, in case of Bills discounting and Channel finance, as the average lifetime is of 90 days, a time to maturity factor of 0.25 is used in the ECL computation.

- **Financial assets that are credit impaired at the reporting date:**

  ECL for Stage 3: Difference between the gross exposure at reporting date and computed carrying amount considering EAD net of LGD and PV of actual cash flows till reporting date including compounded interest at loan EIR on net carrying value.

  For Stage 3 assets in retail portfolio, ECL allowance is calculated separately as follows:

- Stage 3 assets with ageing up to 18 months (< =540 DPD)

  ECL allowance = (Gross exposure on reporting date less Required Carrying value-A)

  Required Carrying value-A ={EAD less ECL allowance at Composite LGD rate less PV of actual cashflows till reporting date plus interest compounded @ loan EIR}

- Stage 3 assets with ageing more than 18 months (>540 DPD)

  ECL allowance = (Gross exposure on reporting date less Required Carrying value-B)

  Required Carrying value-B ={EAD less ECL allowance at Higher LGD rate less PV of actual cashflows till reporting date plus interest compounded @ loan EIR}

Undrawn loan commitments:

ECL on undrawn loan commitments is calculated basis the Stage in which that particular customer already exists.

ECL on Small and Medium Enterprise (SME) portfolio:

For loans provided under SME vertical, the general approach / methodology remains similar to the retail vehicle loans.

The Business Enterprise and Retail Enterprise Portfolio has been further segregated into secured and unsecured portfolio.

A distinct PD specific to secured loans, including LAP, has been derived based on historical performance.

A separate PD has been calculated for unsecured loans, reflecting their higher risk profile.

Segmenting PD by secured and unsecured loans improves precision in risk measurement and aligns with the portfolio composition.

The portfolio's Observed Default Rate (ODR) is modelled using historical data (secured and unsecured loans considered together), leveraging an approach similar to Wheels Business incorporating a three variable regression model.

The LGD approach focuses exclusively on cases where loans have defaulted, and all associated collections have been fully realized.

ECL on Lease business portfolio:

The customer segment catered under leasing business consist of employees of corporates (Employee Lease Programs) and B2B segment which includes business entities, firms, trusts and societies, fleet operators, commercial vehicles, construction equipment etc.

Since the Lease business comprising Operating and Finance lease is relatively a new line of business, there is limited history of collection and loss data for the completed life cycle for these portfolios which is needed for determining PD and LGD parameters for computation of ECL allowance.

In view of the above, the Company has adopted Industry level benchmark, i.e. ECL coverage rate, for estimating ECL allowance on operating and finance lease portfolio considering the similarities in products offered, customer segments catered and average tenure of lease contracts.

ECL on Trade Advance portfolio:

The portfolio comprises of short-term advance to M&M and Non M&M dealers.

The Interest-Free Trade Advance (IFTA) period generally ranges between 15 days to 75 days for Trade Advance (TA) facilities offered to dealers.

SICR is assumed at 60 days past the lending date, considering the due date logic instead of Days Past Due (DPD) logic.

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The Company has computed Through the Cycle (TTC) PDs based on month-on-month transition matrix of historical movement data, capturing transitions between stages. These transition probabilities are used as input to calculate TTC PDs. Given the short tenure of the facility, management believes that the impact of macro economic factors may not impact the PD of the portfolio in the short span.

The company has historically written off unrecovered amounts from dealers in adherence to the Technical Write off policy. The portfolio's own historical experience provides a reliable LGD estimate which is considered for ECL computation.

ECL on Investments:

The company applies a structured and comprehensive ECL approach to three critical investment categories: Investments in Government Securities (G-Secs), Bonds, Commercial Papers (CPs), and Certificates of Deposit (CDs), Liquidity Pools for Short-Term Requirements, and Pass-Through Certificates (PTCs) from securitisation transactions.

i. **Investments in G-Secs, Bonds, CP, and CD**

Investments in G-Secs, Bonds, CP, and CD are measured at fair value through profit and loss (FVTPL) or other comprehensive income (FVOCI).

Periodic revaluations ensure that market fluctuations and credit risks are accurately captured.

Fluctuations in fair value are recorded in the profit and loss account or other comprehensive income, depending on the classification of the asset.

ii. **Liquidity Pool Investments**

Liquidity pool investments are categorized as financial assets measured at fair value through profit or loss (FVTPL) or other comprehensive income (FVOCI) as per Ind AS 109.

Regular revaluations align their valuation with prevailing market conditions.

Fluctuations in the fair value are recorded directly in the profit and loss account or other comprehensive income, depending on the classification.

Exemption from Impairment Testing:

Since these assets are measured at fair value, additional impairment testing is not required under Ind AS 109. The fair value inherently reflects:

a. **Market Volatility:** Adjustments for prevailing economic and market conditions.

b. **Credit Risk:** Assessment of the issuer's creditworthiness.

c. **Governance Practices:** Regular compliance reviews ensure alignment with regulatory guidelines. Transparent reporting of valuation methodologies enhances stakeholder confidence.

iii. **Pass through Certificates (PTCs):**

The creditworthiness of the underlying loan pool is assessed using historical performance data, default rates, and recovery trends.

Insights from these evaluations guide the classification and risk provisioning of PTC investments.

Stage Classification:

Stage 1: Investments with low credit risk, requiring computation of 12-month ECL.

Stage 2: Investments with a significant increase in credit risk, necessitating lifetime ECL.

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Stage 3: Defaulted investments, for which lifetime ECL is calculated with elevated provisioning requirements.

ECL Estimation Metrics:

Probability of Default (PD): Based on historical data and forward-looking macroeconomic factors.

Loss Given Default (LGD): Reflecting recovery rates and collateral quality.

Exposure at Default (EAD): The total value exposed to credit risk.

Time Value Adjustment: Future ECL amounts are discounted to present value using the effective interest rate, ensuring accurate reflection of economic impacts.

ECL on Other Financial Assets:

MMFSL has Simplified Approach to Expected Credit Loss (ECL) under Ind AS 109 for other financial assets that involve credit risk. This approach is considered suitable for as receivables portfolios as ageing and historical recovery trends are the primary drivers of credit risk assessment. These assets include receivables, Insurance Claims, Professional Charges, Interest Receivables (Interest accrued but not yet received), Brokerage etc.

The calculation of lifetime ECL is based on historical coverage rates which incorporates Probability of Default (PD) and Loss Given Default (LGD). The coverage rate is used to estimate the credit loss for each ageing bucket, avoiding the need to compute PD and LGD separately.

Receivables Outstanding ≤ 90 DPD: A specific coverage rate is applied based on historical recovery patterns from wheels portfolio which is the largest portfolio for MMFSL and reflects long term trends.

Receivables Outstanding > 90 DPD: A 100% coverage rate is applied, assuming all receivables aged beyond 90 days are fully uncollectible based on historical trends.

(vii) Forward Looking adjustments

The Historical PDs are converted into forward looking Point-in-Time PDs using statistical model incorporating the forward looking economic outlook, as required by Ind AS 109.

The macroeconomic variables considered by the Company are robust reflections of the state of economy which result into systematic risk for the respective product categories.

Additionally, three different scenarios have been considered for ECL calculation. Along with the actual numbers (considered for Base case scenario and worst case scenario), best case scenarios has not been provided weightage to take care of the forward looking economic outlook.

(viii) Assessment of significant increase in credit risk

When determining whether the credit risk has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the Company's historical experience, including forward-looking information. As per Ind AS 109, loans are required to be moved from Stage 1 to Stage 2 if and only if they have been the subject of a SICR. A SICR occurs when there has been a significant increase in the risk of a default occurring over the expected life of a financial instrument. In line with Basel guidance on ECL, the definition of default and the convention for counting days past due adopted for accounting purposes will be guided by the definition used for regulatory purposes The Company considers reasonable and supportable information that is relevant and available without undue cost and effort. The Company's accounting policy is not to use the practical expedient that the financial

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assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk (SICR). As a result, the Company monitors all financial assets and loan commitments that are subject to impairment for SICR.

As a part of the qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. In such instances, the Company treats the customer at default and therefore assesses such loans as Stage 3 for ECL calculations. Such qualitative factors include:

i. A Stage 3 customer having other loans which are in Stage 1 or 2.

ii. Not to consider Uncleared cheques as on reporting date for outstanding DPD calculation for retail vehicle loans

iii. Retail vehicle loans, where asset has been repossessed.

iv. Cases where Company suspects fraud and legal proceedings are initiated.

v. SME loans where the Company has resorted to its rights under the SARFAESI Act.

vi. Exposure of co -applicant is considered for provision in Stage 3.

Further, the Company classifies certain category of exposures in to Stage 3 and makes accelerated provision up to 100% based on qualitative assessment implying the significant deterioration in asset quality or increase in credit risk on selective basis.

The Company regularly reviews it's ECL model based on actual loss experience and update the parameters used for ECL calculations.

(ix) Policy for write off of Loan Assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "Bad debts and write offs" forming part of "Impairment on financial instruments" in Statement of profit and loss.

(x) Inputs to the model

a. Observed Default Rates (ODRs) over past 60 months for each product category

b. Macro economic variables provided by Economist Intelligence Unit (EIU)# for the past 5 years

c. Macro economic variables projected by EIU for the next 5 years

The Economist Intelligence Unit (EIU) is the research and analysis division of the Economist Group, providing forecasting, macro-economic analysis and advisory services through research and analysis, such as monthly country reports, five-year country economic forecasts, country risk service reports, and industry reports.

A. Model process

a. Macro economic historical variables are tested for statistical robustness and filtered

b. These are converted into quarterly numbers applying cubic spline technique

c. Variables that are acceptable are regressed with historical ODRs, considering 3 variables at a time.

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d. These combinations are further tested for statistical robustness.

e. Those that pass the test are sorted on R squared (fitness) and the best fit is selected.

f. This combination is passed through the Vasicek model to derive scalars that are used to project future PDs.

B. In the selection of macro-economic variables, the management considers best combination of variables for its respective product categories based on statistically tested model output representing higher level of correlation and as well as those which have business relevance as per management assessment.

C. In the selection of macro-economic variables for the best combination, the following parameters are considered:

i. GDPP is considered as one of 3 variables compulsorily.

ii. Second Variable is from below list of parameters selected by the management which are considered relevant to the business:

Description
Real GDP (% change pa)
Nominal GDP (PPP$)
Real private consumption (LCU)
Real government consumption (LCU)
Real gross fixed investment (LCU)
Real exports of G&S (LCU)
Real imports of G&S (LCU)
Real domestic demand (LCU)
Real GDP (PPP US$ at 2010 prices)
Real private consumption (US$ at 2010 prices)
Real gross fixed investment (US$ at 2010 prices)
Nominal GDP (LCU)
Nominal private consumption (LCU)
Nominal government consumption (LCU)
Nominal gross fixed investment (LCU)
Nominal exports of G&S (LCU)
Nominal imports of G&S (LCU)
Nominal domestic demand (LCU)
Nominal GDP (US$)
Nominal private consumption (US$)
Nominal government consumption (US$)
Nominal gross fixed investment (US$)
Nominal exports of G&S (US$)
Nominal imports of G&S (US$)
Nominal domestic demand (US$)
GDP deflator (2010=100; av)
Real agriculture (LCU)
Consumer prices (% change pa; av)
Lending interest rate (%)
Budget revenue (LCU)
Budget expenditure (LCU)
Domestic credit growth (%)
Consumer price index (av)
Consumer price index (end-period)

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for the year ended 31st March 2025

iii. Third Variable is selected by model

D. Where scalars derived are beyond reasonable levels, a cap and a floor is applied to reduce variability.

E Where reasonable scalars are not available, as measured by R square, the scalars of the nearest other portfolio are applied.

Impairment loss

The expected credit loss allowance provision for **Retail Loans including Finance** lease is determined as follows:

(₹ in crore)

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired'	Total
Gross Balance as at 31st March 2025	99,532.31	6,454.22	4,340.48	110,327.01
Expected credit loss rate	0.57%	9.05%	50.82%	
Carrying amount as at 31st March 2025 (net of impairment provision)	98,969.48	5,870.29	2,134.49	106,974.26
Gross Balance as at 31st March 2024	86,364.49	5,099.84	3,440.93	94,905.26
Expected credit loss rate	0.68%	11.45%	63.32%	
Carrying amount as at 31st March 2024 (net of impairment provision)	85,777.59	4,515.67	1,262.22	91,555.49

The expected credit loss allowance provision for **SME Loans including Bills of exchange** is determined as follows:

(₹ in crore)

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired'	Total
Gross Balance as at 31st March 2025	6,028.43	55.05	65.07	6,148.54
Expected credit loss rate	0.22%	33.50%	76.15%	
Carrying amount as at 31st March 2025 (net of impairment provision)	6,015.25	36.60	15.52	6,067.37
Gross Balance as at 31st March 2024	4,728.37	40.94	43.10	4,812.41
Expected credit loss rate	0.66%	11.51%	62.85%	
Carrying amount as at 31st March 2024 (net of impairment provision)	4,697.08	36.23	16.01	4,749.32

The expected credit loss allowance provision for **Trade Advances** is determined as follows:

(₹ in crore)

	Less than 60 days past due	61-90 days past due	Credit impaired (more than 90 days)	Total
Gross Balance as at 31st March 2025	3,186.76	2.32	8.38	3,197.47
Expected credit loss rate	0.71%	4.84%	29.87%	
Carrying amount as at 31st March 2025 (net of impairment provision)	3,164.29	2.21	5.88	3,172.38
Gross Balance as at 31st March 2024	2,853.29	18.94	6.87	2,879.10
Expected credit loss rate	0.40%	5.63%	100.00%	
Carrying amount as at 31st March 2024 (net of impairment provision)	2,841.88	17.87	-	2,859.75

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

The contractual amount outstanding for trade advance that has been written off by the Company during the year ended 31st March 2025 and that were still subject to enforcement activity was ₹ 1.60 crore (31st March 2024: ₹ 3.36 crore).

The expected credit loss allowance provision for **Financial Investments measured at amortized cost** is determined as follows:

(₹ in crore)

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired'	Total
Gross Balance as at 31st March 2025	1,219.81	-	-	1,219.81
Expected credit loss rate	-			-
Carrying amount as at 31st March 2025 (net of impairment provision)	1,219.81	-	-	1,219.81
Gross Balance as at 31st March 2024	1,263.87	-	-	1,263.87
Expected credit loss rate	0.00%			
Carrying amount as at 31st March 2024 (net of impairment provision)	1,263.87	-	-	1,263.87

Level of Assessment - Aggregation Criteria

The Company recognizes the expected credit losses (ECL) on a collective basis that takes into account comprehensive credit risk information.

Considering the economic and risk characteristics, pricing range, sector concentration (e.g. vehicle loans in unorganized sectors) the Company calculates ECL on a collective basis for all stages - Stage 1, Stage 2 and Stage 3 assets.

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Retail Loans including Finance Lease is, as follows :

Gross exposure reconciliation

As at 31st March 2024

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1st April 2023	67,237.62	4,852.75	3,655.11	75,745.48
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	1,044.29	(934.81)	(109.48)	-
- Transfers to Stage 2	(3,856.09)	3,935.32	(79.23)	-
- Transfers to Stage 3	(1,395.58)	(694.54)	2,090.12	-
- Loans that have been derecognized during the period	(8,792.29)	(1,259.48)	(1,226.79)	(11,278.56)
New loans originated during the year	48,192.62	736.93	305.20	49,234.75
Write-offs	(2.37)	(9.21)	(972.10)	(983.68)
Impact of changes on items within the same stage	(16,063.71)	(1,527.12)	(221.90)	(17,812.73)
Gross carrying amount balance as at 31st March 2024	**86,364.49**	**5,099.84**	**3,440.93**	**94,905.26**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

As at 31st March 2025

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1st April 2024	86,364.49	5,099.84	3,440.93	94,905.26
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	994.13	(906.18)	(87.94)	-
- Transfers to Stage 2	(5,536.02)	5,620.23	(84.22)	-
- Transfers to Stage 3	(1,950.74)	(1,073.99)	3,024.73	-
- Loans that have been derecognized during the period	(8,858.46)	(1,013.47)	(1,068.85)	(10,940.78)
New loans originated during the year	48,797.59	680.71	215.84	49,694.14
Write-offs	(5.62)	(31.81)	(771.54)	(808.97)
Impact of changes on items within the same stage	(20,273.08)	(1,921.11)	(328.47)	(22,522.66)
Gross carrying amount balance as at 31st March 2025	**99,532.30**	**6,454.21**	**4,340.48**	**110,327.00**

Reconciliation of ECL balance

As at 31st March 2024

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1st April 2023	533.82	518.42	2,169.34	3,221.58
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	164.62	(99.87)	(64.75)	-
- Transfers to Stage 2	(30.62)	77.47	(46.85)	-
- Transfers to Stage 3	(11.08)	(74.20)	85.28	-
- Loans that have been derecognized during the period	(69.61)	(134.58)	(724.50)	(928.69)
New loans originated during the year	326.49	82.34	192.56	601.39
Write-offs	(0.02)	(0.98)	(574.92)	(575.92)
Impact of changes on items within the same stage	(326.70)	215.57	1,142.55	1,031.42
ECL allowance balance as at 31st March 2024	**586.90**	**584.17**	**2,178.71**	**3,349.78**

As at 31st March 2025

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1st April 2024	586.90	584.17	2,178.71	3,349.78
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	159.72	(104.26)	(55.47)	-
- Transfers to Stage 2	(37.69)	90.81	(53.12)	-
- Transfers to Stage 3	(13.28)	(123.56)	136.84	-
- Loans that have been derecognized during the period	(62.53)	(119.09)	(676.40)	(858.02)

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
New loans originated during the year	276.95	61.99	107.59	446.52
Write-offs	(0.04)	(3.66)	(486.61)	(490.31)
Impact of changes on items within the same stage	(347.22)	197.53	1,054.45	904.77
ECL allowance balance as at 31st March 2025	**562.81**	**583.93**	**2,205.99**	**3,352.74**

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended 31st March 2025 and that were still subject to enforcement activity was ₹ 575.52 crore (31st March 2024: ₹ 1,006.22 crore).

The overall decrease in ECL allowance on the portfolio was driven by movements between stages and higher amount of write offs.

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to SME Loans including Bills of exchange is, as follows :

Gross exposure reconciliation

As at 31st March 2024

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1st April 2023	4,386.46	20.53	49.69	4,456.68
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	6.58	(6.26)	(0.32)	-
- Transfers to Stage 2	(42.40)	43.43	(1.03)	-
- Transfers to Stage 3	(30.33)	(7.40)	37.73	-
- Loans that have been derecognised during the period	(1,406.70)	(4.84)	(4.12)	(1,415.66)
New loans originated during the year	2,910.39	4.76	2.64	2,917.79
Write-offs	(0.41)	(0.19)	(38.52)	(39.12)
Impact of changes on items within the same stage	(1,095.22)	(9.09)	(2.97)	(1,107.28)
Gross carrying amount balance as at 31st March 2024	**4,728.37**	**40.94**	**43.10**	**4,812.41**

As at 31st March 2025

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1st April 2024	4,728.37	40.94	43.10	4,812.41
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	7.86	(7.67)	(0.19)	0.00
- Transfers to Stage 2	(41.17)	41.82	(0.65)	(0.00)
- Transfers to Stage 3	(69.23)	(8.23)	77.46	-
- Loans that have been derecognized during the period	(1,745.49)	(12.41)	(6.22)	(1,764.12)

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
New loans originated during the year	3,917.60	15.90	0.81	3,934.31
Write-offs	(8.04)	(3.99)	(28.80)	(40.83)
Impact of changes on items within the same stage	(761.46)	(11.32)	(20.45)	(793.23)
Gross carrying amount balance as at 31st March 2025	**6,028.43**	**55.04**	**65.06**	**6,148.54**

Reconciliation of ECL balance

As at 31st March 2024

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1st April 2023	15.85	1.99	28.37	46.21
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	0.78	(0.58)	(0.20)	-
- Transfers to Stage 2	(0.23)	0.88	(0.65)	-
- Transfers to Stage 3	(0.15)	(0.81)	0.96	-
- Loans that have been derecognised during the period	(1.69)	(0.35)	(2.59)	(4.63)
New loans originated during the year	4.09	0.58	1.21	5.88
Write-offs	-	(0.02)	(21.38)	(21.40)
Impact of changes on items within the same stage	(10.57)	3.33	13.64	6.40
ECL allowance balance as at 31st March 2024	**8.08**	**5.02**	**19.37**	**32.47**

As at 31st March 2025

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1st April 2024	8.08	5.02	19.37	32.47
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	1.03	(0.94)	(0.09)	-
- Transfers to Stage 2	(0.12)	0.41	(0.30)	(0.01)
- Transfers to Stage 3	(0.21)	(1.00)	1.20	(0.01)
- Loans that have been derecognized during the period	(1.46)	(1.53)	(2.85)	(5.84)
New loans originated during the year	7.31	6.08	0.61	14.00
Write-offs	(0.02)	(0.49)	(12.84)	(13.35)
Impact of changes on items within the same stage	(1.41)	10.89	44.43	53.91
ECL allowance balance as at 31st March 2025	**13.20**	**18.44**	**49.53**	**81.17**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended 31st March 2025 and that were still subject to enforcement activity was ₹24.45 crore (31st March 2024: ₹40.48 crore).

The increase in ECL provisions was driven by increase in the gross size of the portfolio.

An analysis of changes in the outstanding exposure and the corresponding ECLs in relation to other undrawn commitments is as follows :

Gross exposure reconciliation

As at 31st March 2024

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure as at 1st April 2023	154.30	-	-	154.30
New Exposures	28.00	-	-	28.00
Exposure derecognized or matured/ lapsed (excluding write-offs)	(154.30)	-	-	(154.30)
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
Closing balance of outstanding exposure as at 31st March 2024	**28.00**	**-**	**-**	**28.00**

As at 31st March 2025

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure as at 1st April 2024	28.00	-	-	28.00
New Exposures	234.39	-	-	234.39
Exposure derecognized or matured/ lapsed (excluding write-offs)	(28.00)	-	-	(28.00)
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
Closing balance of outstanding exposure as at 31st March 2025	**234.39**	**-**	**-**	**234.39**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Reconciliation of ECL balance

As at 31st March 2024

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1st April 2023	0.43	-	-	0.43
New Exposures	0.02	-	-	0.02
Exposure derecognized or matured/ lapsed (excluding write-offs)	(0.43)	-	-	(0.43)
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Loans that have been derecognized during the period	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
ECL allowance balance as at 31st March 2024	**0.02**	**-**	**-**	**0.02**

As at 31st March 2025

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1st April 2024	0.02	-	-	0.02
New Exposures	0.69	-	-	0.69
Exposure derecognized or matured/ lapsed (excluding write-offs)	(0.02)	-	-	(0.02)
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Loans that have been derecognized during the period	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
ECL allowance balance as at 31st March 2025	**0.69**	**-**	**-**	**0.69**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Financial Investments measured at amortized cost is as follows :

Gross exposure reconciliation

As at 31st March 2024

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1st April 2023	1,436.11	-	-	1,436.11
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognized during the period	(163.42)	-	-	(163.42)
New Investments originated during the year	124.98	-	-	124.98
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(8.82)	-	-	(8.82)
Gross carrying amount balance as at 31st March 2024	**1,388.85**	**-**	**-**	**1,388.85**

As at 31st March 2025

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1st April 2024	1,388.85	-	-	1,388.85
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognized during the period	(124.98)	-	-	(124.98)
New Investments originated during the year	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(44.06)	-	-	(44.06)
Gross carrying amount balance as at 31st March 2025	**1,219.81**	**-**	**-**	**1,219.81**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Reconciliation of ECL balance

As at 31st March 2024

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1st April 2023	55.49	-	-	55.49
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognized during the period	(0.98)	-	-	(0.98)
New Investments originated during the year	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
ECL allowance balance as at 31st March 2024	**54.51**	**-**	**-**	**54.51**

As at 31st March 2025

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1st April 2024	54.51	-	-	54.51
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognized during the period	-	-	-	-
New Investments originated during the year	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
ECL allowance balance as at 31st March 2025	**54.51**	**-**	**-**	**54.51**

The contractual amount outstanding on financial investments that has been written off by the Company during the year ended 31st March 2025 and that were still subject to enforcement activity was nil (31st March 2024 : nil).

Significant changes in the gross carrying value that contributed to change in loss allowance

The Company mostly provide loans to retail individual customers, which is of small ticket size. Change in any single customer repayment will not impact significantly to Company's provisioning. All customers are being monitored based on past due and corrective actions are taken accordingly to limit the Company's risk.

Concentration of Credit Risk

The Company's loan portfolio is predominantly to finance retail automobile loans. The Company manages concentration of risk primarily by geographical region in India. The following tables show the geographical concentrations of loans and trade advances:

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Concentration by Geographical region in India:		
North	40,642.29	33,372.40
East	22,582.75	21,039.12
West	34,238.63	28,805.94
South	22,209.35	19,379.31
Total Gross Carrying Value	**119,673.02**	**102,596.77**

Maximum Exposure to credit Risk

The maximum exposure to credit risk of loans and investment securities is their carrying amount. The maximum exposure is before considering the effect of mitigation through collateral.

Narrative Description of Collateral

Collateral primarily include vehicles purchased by retail loan customers and machinery & property in case of SME customers. The financial investments are secured by way of a first ranking pari-passu and charge created by way of hypothecation on the receivables of the other company.

Quantitative Information of Collateral

The Company monitors its exposure to loan portfolio using the Loan To Value (LTV) ratio, which is calculated as the ratio of the gross amount of the loan to the value of the collateral. The value of the collateral for Retail loans is derived by writing down the asset cost at origination by 20% p.a on reducing balance basis. And the value of the collateral of Stage 3 Retail loans is based on the Indian Blue Book value for the particular asset. The value of collateral of SME loans is based on fair market value of the collaterals held.

Gross value of total secured loans to value of collateral:

(₹ in Crore)

Loan To Value	Gross Value of Secured Retail loans		Gross Value of Secured SME loans	
	31st March 2025	31st March 2024	31st March 2025	31st March 2024
0 - 50%	7,517.50	6,365.54	2,183.72	1,720.06
51 - 70%	15,982.16	13,653.35	1,074.94	917.03
71 - 100%	64,844.68	56,893.97	610.80	300.27
Above 100%	21,244.73	17,352.61	41.14	233.26
Total	**109,589.07**	**94,265.47**	**3,910.59**	**3,170.63**

Gross value of credit impaired loans to value of collateral:

(₹ in Crore)

Loan To Value	Gross Value of Retail loans in Stage 3		Gross Value of SME loans in Stage 3	
	31st March 2025	31st March 2024	31st March 2025	31st March 2024
0 - 50%	604.52	102.93	27.51	7.46
51 - 70%	714.56	117.61	5.10	1.34
71 - 100%	1,781.86	481.88	6.31	1.30
Above 100%	1,239.54	2,738.51	26.15	33.01
Total	**4,340.48**	**3,440.93**	**65.07**	**43.10**

The below tables provide an analysis of the current fair values of collateral held for Stage 3 assets. The value of collateral has not been considered while recognizing the loss allowances.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Fair value of collateral held against Credit Impaired assets

(₹ in crore)

31st March 2025	Maximum exposure to Credit Risk	Vehicles	Plant and Machinery	Land and Building	Book Debts, Inventory and other Working Capital items	Surplus/ (Deficient) Collateral	Total Secured Collateral	Net Exposure	Associated ECL
Retail Loans	4,340.48	6,750.71	-	-	-	2,596.74	4,153.97	186.51	2,205.99
SME Loans	65.07	-	42.57	38.15	44.00	85.69	39.03	26.04	49.53

(₹ in crore)

31st March 2024	Maximum exposure to Credit Risk	Vehicles	Plant and Machinery	Land and Building	Book Debts, Inventory and other Working Capital items	Surplus/ (Deficient) Collateral	Total Secured Collateral	Net Exposure	Associated ECL
Retail Loans	3,440.93	2,578.87	-	-	-	(381.64)	2,960.51	480.42	2,178.71
SME Loans	43.10	-	25.98	43.52	0.07	62.88	6.69	36.41	19.37

49.3 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

a) Maturity profile of non-derivative financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ in crore)

Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
Non-derivative financial liabilities				
As at 31st March 2025				
Trade Payable :	1,228.89	-	-	-
Debt Securities :				
- Principal	8,571.00	7,649.63	5,102.50	3,900.50
- Interest	1,608.30	2,189.49	1,088.10	769.46
Borrowings (Other than Debt Securities) :				
- Principal	24,896.28	37,738.05	6,828.81	68.79
- Interest	4,131.60	3,699.00	297.75	0.51
Deposit :				
- Principal	3,993.64	5,904.55	1,028.25	-
- Interest	615.63	1,127.86	278.70	-
Subordinated liabilities :				
- Principal	175.00	1,380.25	336.87	3,356.86
- Interest	431.62	713.13	575.92	1,003.01
Other financial liabilities :	463.24	184.04	128.29	105.60
Total	**46,115.21**	**60,586.00**	**15,665.20**	**9,204.73**
As at 31st March 2024				
Trade Payable :	1,524.89	-	-	-
Debt Securities :				
- Principal	9,560.75	10,561.40	754.35	5,978.00
- Interest	1,906.89	2,413.39	1,033.67	1,443.25
Borrowings (Other than Debt Securities) :				
- Principal	18,603.73	26,827.60	8,782.36	111.12
- Interest	3,227.24	3,352.80	481.18	0.79
Deposit :				
- Principal	2,660.39	3,588.40	948.41	-
- Interest	504.35	682.63	253.51	-
Subordinated liabilities :				
- Principal	274.32	1,108.01	447.24	2,193.74
- Interest	338.32	572.77	413.36	695.31
Other financial liabilities :	1,898.47	304.93	129.36	108.58
Total	**40,499.36**	**49,411.92**	**13,243.44**	**10,530.79**

b) Maturity profile of derivative financial instruments

The following table details the Company's liquidity analysis for its undiscounted value of derivative financial instruments.

(₹ in crore)

Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
Derivative financial instruments				
As at 31st March 2025				
Foreign exchange forward contracts				
- Payable	233.74	49.81	-	-
- Receivable	-	6.02	-	-
Interest Rate swaps				
- Payable	8.21	59.78	19.26	-
- Receivable	-	-	-	-
Currency swaps				
- Payable	47.18	-	-	-
- Receivable	24.33	-	-	-
Total Payable	**289.13**	**109.59**	**19.26**	**-**
Total Receivable	**24.33**	**6.02**	**-**	**-**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in crore)

Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
As at 31st March 2024				
Foreign exchange forward contracts				
- Payable	0.97	199.74	-	-
- Receivable	-	-	-	-
Interest Rate swaps				
- Payable	-	3.15	-	-
- Receivable	-	-	-	-
Currency swaps				
- Payable	-	164.23	-	-
- Receivable	-	-	-	-
Total Payable	**0.97**	**367.12**	**-**	**-**
Total Receivable	**-**	**-**	**-**	**-**

49.4 a) Financial Instruments regularly measured using Fair Value - recurring items

(₹ in crore)

Type of instrument	Fair Value: Financial assets / financial liabilities	Fair Value: Category	Fair Value: As at 31st March 2025	Fair Value: As at 31st March 2024	Fair value hierarchy	Valuation technique(s)	Key inputs	Significant unobservable input(s) for level 3 hierarchy	Relationship of unobservable inputs to fair value and sensitivity
1) Foreign currency forwards, Interest rate, currency swaps & commodity derivatives	Financial Assets / (Liabilities)	Financial Instruments measured at FVTPL	(359.10)	(335.27)	Level 2	Discounted Cash Flow	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counter parties.		
2) Investment in Mutual Funds	Financial Assets	Financial instrument measured at FVTPL	78.12	52.86	Level 1	Quoted market price			
3) Investment in Commercial Paper	Financial Assets	Financial instrument measured at FVTPL	593.75	757.41	Level 2	Quoted market price of similar instrument			
4) Investment in Certificate of deposits with banks	Financial Assets	Financial instrument measured at FVTPL	2,330.40	967.73	Level 2	Quoted market price of similar instrument			
5) Investment in equity instruments-Quoted	Financial Assets	Financial instrument measured at FVTPL	0.18	0.22	Level 1	Quoted market price			
6) Investment in equity instruments-Unquoted	Financial Assets	Financial instrument designated at FVOCI	126.67	42.41	Level 3	Discounted Cash Flow / Book Value	The discounted cash flow method used the future free cash flows of the Company discounted by firm's WACC plus a risk factor measured by beta, to arrive at the present value. The key inputs includes projection of financial statements (key value driving factors), the cost of capital to discount the projected cash flows.	Terminal growth rate, Weighted average cost of capital.	Increase or decrease in multiple will result in increase or decrease in valuation.
7) Investment in Govt securities and bonds	Financial Assets	Financial instrument measured at FVOCI	4,247.99	4,460.74	Level 1	Quoted market price			
8) Investment in Bonds	Financial Assets	Financial instrument measured at FVOCI	282.09	453.34	Level 2	Quoted market price of similar instrument			

The Company doesn't carry any financial asset or liability which it fair values on a non recurring basis.

49.4 b) Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

(₹ in crore)

Particulars	Unquoted Equity investment
Year ended 31st March 2025	
Opening balance	42.41
Total gains or losses recognized:	
In Profit or loss	
a) in profit or loss	-
b) in other comprehensive income	84.26
Fair value of -	
Purchases made during the year	-
Disposals made during the year	-
Transfers into Level 3	-
Transfers out of Level 3	-
Closing balance	**126.67**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in crore)

Particulars	Unquoted Equity investment
Year ended 31st March 2024	
Opening balance	42.41
Total gains or losses recognized:	
In Profit or loss	
a) in profit or loss	-
b) in other comprehensive income	-
Fair value of -	
Purchases made during the year	-
Issues made during the year	-
Disposals made during the year	-
Transfers into Level 3	-
Transfers out of Level 3	-
Closing balance	**42.41**

c) Equity Investments designated at Fair value through Other Comprehensive Income

The Company has made the below equity investments neither for the purpose of trading nor for the purpose of acquiring controlling stake, and accordingly, the investment has been classified in other comprehensive income as per Ind AS 109.5.7.5.

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Equity investment in Smartshift Logistic Solutions Private Limited		
Fair Value of Investments	126.67	42.41

There are no disposal of investment during the year ended 31st March 2025 and 31st March 2024 respectively.

d) Financial Instruments measured at amortized cost

(₹ in crore)

Particulars	Carrying Value	Fair value	Fair value		
			Level 1	Level 2	Level 3
As at 31st March 2025					
Financial assets					
a) Bank balances other than cash and cash equivalent	3,869.31	3,869.80	3,781.23	-	88.57
b) Loans and advances to customers	116,214.02	117,980.45	-	-	117,980.45
c) Financial investments - at amortized cost	1,219.81	1,252.78	1,252.78	-	-
Total	**121,303.14**	**123,103.03**	**5,034.01**	**-**	**118,069.02**
Financial liabilities					
a) Debt securities	26,204.83	26,441.52	25,560.65	880.87	-
b) Borrowings other than debt securities	69,734.92	69,913.48	-	69,913.48	-
c) Deposits	11,404.15	11,617.38	-	11,617.38	-
d) Subordinated Liabilities	5,529.57	5,499.93	2,960.00	2,539.93	
e) Other financial liabilities	790.60	788.21	-	407.41	380.80
Total	**113,664.07**	**114,260.51**	**28,520.65**	**85,359.06**	**380.80**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in crore)

Particulars	Carrying Value	Fair value	Fair value		
			Level 1	Level 2	Level 3
As at 31st March 2024					
Financial assets					
a) Bank balances other than cash and cash equivalent	2,955.99	2,973.94	2,409.74	-	564.20
b) Loans and advances to customers	99,195.18	98,655.46	-	-	98,655.46
c) Financial investments - at amortized cost	1,388.85	1,404.49	-	1,404.49	-
Total	**103,540.02**	**103,033.89**	**2,409.74**	**1,404.49**	**99,219.66**
Financial liabilities					
a) Debt securities	26,725.94	27,965.63	26,992.11	973.52	-
b) Borrowings other than debt securities	54,318.83	54,482.68	-	54,482.68	-
c) Deposits	7,544.18	7,686.98	-	7,686.98	-
d) Subordinated Liabilities	4,005.66	4,347.98	1,680.87	2,667.11	
e) Other financial liabilities	687.92	681.35	-	319.99	361.36
Total	**93,282.53**	**95,164.62**	**28,672.98**	**66,130.28**	**361.36**

There were no transfers between Level 1 and Level 2.

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalent, trade receivables, balances other than cash and cash equivalents, term deposits and trade payables. Further, such financial assets and financial liabilities are disclosed at Level 1 fair value.

Loans and advances to customers

The fair values of loans and advances are estimated by discounted cash flow models based on contractual cash flows using actual yields.

Financial Investments

For Government Securities and bonds, the quoted market price as on date of reporting is considered for fair value computations. Where such price is not available, quoted market price of similar instruments as on date of reporting is considered.

Borrowings other than deposits from public

The fair value of borrowings is estimated by a discounted cash flow model incorporating interest rate estimates from market-observable data such as secondary prices for its traded debt itself.

Deposits from public

The fair value of deposits received from public is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for that class of deposits segregated by their tenure.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

50 Maturity analysis of assets and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled.

(₹ in Crore)

Particulars	As at 31st March 2025			As at 31st March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Cash and cash equivalents	1,666.56	-	1,666.56	311.07	-	311.07
Bank balance	3,777.92	91.39	3,869.31	2,378.04	577.95	2,955.99
Derivative financial instruments	25.69	5.26	30.95	-	-	-
Trade receivables	53.02	-	53.02	24.74	-	24.74
Loans	43,226.76	72,987.26	116,214.02	37,167.83	62,027.35	99,195.18
Investments	5,105.40	5,295.08	10,400.48	2,398.52	7,252.30	9,650.82
Other financial assets	152.89	94.64	247.53	158.72	70.11	228.83
Current tax assets (Net)	-	601.68	601.68	-	609.78	609.78
Deferred tax Assets (Net)	-	640.99	640.99	-	691.08	691.08
Property, plant and equipment	-	876.38	876.38	-	811.11	811.11
Intangible assets under development	-	65.10	65.10	-	105.10	105.10
Capital work-in-progress	-	0.52	0.52	-	0.15	0.15
Other Intangible assets	-	172.89	172.89	-	14.61	14.61
Other non-financial assets	587.48	121.27	708.75	464.16	96.59	560.75
Total Assets	**54,595.72**	**80,952.45**	**135,548.18**	**42,903.08**	**72,256.13**	**115,159.21**
Liabilities						
Financial Liabilities						
Derivative financial instruments	276.82	113.23	390.05	0.93	334.34	335.27
Payables						
Trade Payables						
i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,208.56	-	1,208.56	1,459.47	-	1,459.47
Other Payables						
i) total outstanding dues of micro enterprises and small enterprises	2.71	-	2.71	2.80	-	2.80
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17.62	-	17.62	62.62	-	62.62
Debt Securities	9,572.72	16,632.11	26,204.83	10,429.72	17,267.32	27,697.03

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in Crore)

Particulars	As at 31st March 2025			As at 31st March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Borrowings (Other than Debt Securities)	25,124.62	44,610.30	69,734.92	18,752.13	35,715.09	54,467.22
Deposits	4,249.79	7,154.36	11,404.15	2,729.26	4,814.92	7,544.18
Subordinated Liabilities	443.71	5,085.86	5,529.57	512.35	3,757.80	4,270.15
Other financial liabilities	436.00	354.60	790.60	353.33	334.59	687.92
Non-Financial Liabilities						
Current tax liabilities (Net)	69.73	-	69.73	119.26	-	119.26
Provisions	145.27	71.77	217.04	123.18	81.95	205.13
Other non-financial liabilities	163.71	2.46	166.17	145.51	5.16	150.67
Total Liabilities	**41,711.26**	**74,024.69**	**115,735.95**	**34,690.56**	**62,311.17**	**97,001.72**
Net	**12,884.46**	**6,927.77**	**19,812.23**	**8,212.53**	**9,944.96**	**18,157.49**

51 Related party disclosures:

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

a) **Holding Company** — Mahindra & Mahindra Limited

b) **Subsidiary Companies:**
(entities on whom control is exercised)

- Mahindra Insurance Brokers Limited
- Mahindra Rural Housing Finance Limited
- Mahindra Ideal Finance Limited
- Mahindra & Mahindra Financial Services Ltd Employees' Stock Option Trust
- MRHFL Employees Welfare Trust
- Mahindra Finance CSR Foundation

c) **Fellow Subsidiaries:**
(entities with whom the Company has transactions)

- Mahindra USA, Inc
- NBS International Limited
- Mahindra First Choice Wheels Limited
- Mahindra Defence Systems Limited
- Mahindra Integrated Business Solutions Limited
- Mahindra Logistics Limited
- Mahindra Construction Co. Limited
- Bristlecone India Limited
- Gromax Agri Equipment Limited
- Mahindra Holidays & Resorts India Limited
- New Democratic Electoral Trust
- Mahindra Susten Pvt Limited
- Mahindra & Mahindra Contech Pvt Limited
- Mahindra Two wheeler Limited
- Mahindra Sumit Agriscience Limited
- Swaraj Engines Limited
- Mahindra Heavy Engines Limited
- Mahindra Teqo Pvt Limited

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Fifth Gear Ventures Limited
Mahindra Aerostructures Private Limited
Mahindra Agri Solutions Limited
Mahindra Electric Automobile Limited (MEAL)
Mahindra HZPC Private Limited
Mahindra Last Mile Mobility Limited
Mahindra Lifespace Developers Limited
Mahindra Solarize Limited
Mahindra University
Mahindra World City (Jaipur) Limited
Naandi Community Water Services Private Limited
Sustainable Energy Infra Investment Managers Private Limited

d) Joint Ventures / Associates:
(entities on whom control is exercised)

Mahindra Finance USA, Inc
Mahindra Manulife Investment Management Pvt. Ltd.
Mahindra Manulife Trustee Pvt. Ltd.

e) Joint Ventures / Associates of Holding Company:
(entities with whom the Company has transactions)

Tech Mahindra Limited
Smartshift Logistics Solutions Pvt Ltd.
PSL Media & Communications Ltd
Tech Mahindra Foundation

f) Key Management Personnel:

Mr. Raul Rebello
Mr. Anish Shah
Mr. Milind Sarwate
Dr. Rebecca Nugent
Mr. Diwakar Gupta
Mr. Ashwani Ghai
Mr. Vijay Kumar Sharma
Mr. Amarjyoti Barua
Mr. Ramesh Iyer *(Ceased to be KMP w.e.f 29th April 2024)*
Mr. C. B. Bhave *(Ceased to be KMP w.e.f 02nd February 2025)*
Mr. Dhananjay Mungale *(Ceased to be KMP w.e.f 23rd July 2024)*
Mrs. Rama Bijapurkar *(Ceased to be KMP w.e.f 23rd July 2024)*

g) Relatives of Key Management Personnel
(where there are transactions)

Mr. Joan Rebello
Mr. Dinesh Iyer *(Ceased to be relatives of KMP w.e.f 29th April 2024)*
Mrs. Janki Iyer *(Ceased to be relatives of KMP w.e.f 29th April 2024)*
Mrs. Girija Subramanian *(Ceased to be relatives of KMP w.e.f 29th April 2024)*
Mr. Risheek Ramesh Iyer *(Ceased to be relatives of KMP w.e.f 29th April 2024)*

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

RELATED PARTY TRANSACTIONS

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows:

(₹ in Crore)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Subvention / Incentive income												
- Mahindra & Mahindra Limited	19.17	28.61	-	-	-	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd	-	-	-	-	9.88	7.94	-	-	-	-	-	-
Lease rental income												
- Mahindra & Mahindra Limited	93.73	100.64	-	-	-	-	-	-	-	-	-	-
- Sustainable Energy Infra Investment Managers Private Limited	-	-	-	-	0.20	-	-	-	-	-	-	-
- Mahindra & Mahindra Contech Private Limited	-	-	-	-	-	0.01	-	-	-	-	-	-
- Swaraj Engines Limited	-	-	-	-	0.41	0.39	-	-	-	-	-	-
- Mahindra Susten Private Limited	-	-	-	-	0.30	0.39	-	-	-	-	-	-
- Mahindra Heavy Engines Limited	-	-	-	-	0.04	0.28	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	0.28	0.61	-	-	-	-	-	-
- Mahindra Solarize Private Limited	-	-	-	-	0.07	0.13	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	-	-	0.30	0.24	-	-	-	-	-	-
- Mahindra Teqo	-	-	-	-	0.13	0.17	-	-	-	-	-	-
- Mahindra HZPC Pvt Ltd	-	-	-	-	0.13	0.06	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd	-	-	-	-	4.20	0.74	-	-	-	-	-	-
- Mahindra Summit Agriscience Limited	-	-	-	-	1.50	1.44	-	-	-	-	-	-
- Mahindra Two Wheelers Limited	-	-	-	-	0.01	0.10	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	0.59	0.03	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd.	-	-	-	-	0.95	0.14	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	8.51	0.51	-	-	-	-	-	-
- Mahindra Agri Solutions Ltd	-	-	-	-	1.42	0.67	-	-	-	-	-	-
- Mahindra Defence Systems Ltd	-	-	-	-	0.60	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in Crore)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
- Smartshift Logistics Solutions Pvt Ltd.	-	-	-	-	0.47	-	-	-	-	-	-	-
- Mahindra Aerostructures Private Limited	-	-	-	-	0.02	-	-	-	-	-	-	-
- Mahindra Electric Automobile Limited (MEAL)	-	-	-	-	0.20	-	-	-	-	-	-	-
- Mahindra World City (Jaipur) Limited	-	-	-	-	0.02	-	-	-	-	-	-	-
- Mahindra Logistics Limited	-	-	-	-	0.02	-	-	-	-	-	-	-
Interest income												
- Mahindra & Mahindra Limited	2.17	1.85	-	-	-	-	-	-	-	-	-	-
Income from sharing services												
- Mahindra Rural Housing Finance Limited	-	-	4.07	4.83	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	1.56	2.35	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Pvt Ltd	-	-	-	-	-	-	1.05	0.59	-	-	-	-
Other Income												
- Mahindra & Mahindra Limited	0.34	0.88	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.22	0.07	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	-	0.00	-	-	-	-	-	-	-	-
Dividend Income												
- Mahindra Insurance Brokers Limited	-	-	15.46	2.89	-	-	-	-	-	-	-	-
Interest expense												
- Mahindra & Mahindra Limited	-	0.05	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	13.54	15.87	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	-	2.43	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	-	-	0.07	0.07	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	11.92	8.97	-	-	-	-	-	-
- Mr Ramesh Iyer	-	-	-	-	-	-	-	-	0.06	0.06	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in Crore)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
- Mr Raul Rebello	-	-	-	-	-	-	-	-	-	0.00	-	-
- Others	-	-	-	-	-	-	-	-	-	-	0.18	0.16
Other expenses												
- Mahindra & Mahindra Limited	25.32	52.10	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.16	-	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	23.73	24.37	-	-	-	-	-	-
- Mahindra Defence Systems Ltd	-	-	-	-	-	1.52	-	-	-	-	-	-
- Bristlecone India Limited	-	-	-	-	0.54	0.24	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	-	-	61.87	59.33	-	-	-	-	-	-
- Mahindra Finance CSR Foundation	-	-	-	-	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	-	-	0.58	0.65	-	-	-	-	-	-
- Meru Mobility Tech Private Limited	-	-	-	-	-	0.01	-	-	-	-	-	-
- Mahindra Solarize Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	0.08	0.03	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	62.72	12.27	-	-	-	-	-	-
- Others	-	-	-	-	0.28	0.07	-	-	-	-	-	-
Donations												
- Mahindra Finance CSR Foundation	-	-	0.02	-	-	-	-	-	-	-	-	-
- National Democratic Electoral Trust	-	-	-	-	21.00	-	-	-	-	-	-	-
- Tech Mahindra Foundation	-	-	-	-	0.15	-	-	-	-	-	-	-
Remuneration												
- Mr Ramesh Iyer	-	-	-	-	-	-	-	-	3.65	8.15	-	-
- Mr Raul Rebello	-	-	-	-	-	-	-	-	3.95	3.90	-	-
Sitting fees and commission												
- Mr C. B. Bhave	-	-	-	-	-	-	-	-	0.57	0.53	-	-
- Mr Dhananjay Mungale	-	-	-	-	-	-	-	-	0.24	0.53	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in Crore)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
- Ms Rama Bijapurkar	-	-	-	-	-	-	-	-	0.23	0.50	-	-
- Mr Milind Sarwate	-	-	-	-	-	-	-	-	0.69	0.57	-	-
- Dr Rebecca Nugent	-	-	-	-	-	-	-	-	0.54	0.46	-	-
- Mr Diwakar Gupta	-	-	-	-	-	-	-	-	0.65	0.50	-	-
- Mr Ashwani Ghai	-	-	-	-	-	-	-	-	0.47	0.30	-	-
- Mr Vijay Kumar Sharma	-	-	-	-	-	-	-	-	0.45	-	-	-
- Mr Siddhartha Mohanty	-	-	-	-	-	-	-	-	-	0.04	-	-
Reimbursement from parties												
- Mahindra & Mahindra Limited	1.86	2.64	-	-	-	-	-	-	-	-	-	-
- Gromax Agri Equipment Limited	-	-	-	-	3.90	3.10	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	1.37	0.94	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	0.07	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	3.75	0.07	-	-	-	-	-	-	-	-
Reimbursement to parties												
- Mahindra & Mahindra Limited	25.91	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	0.06	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.93	1.17	-	-	-	-	-	-	-	-
- Mahindra USA, Inc	-	-	-	-	3.09	2.65	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	0.42	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd.	-	-	-	-	0.02	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Pvt Ltd	-	-	-	-	-	-	-	0.06	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	0.01	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd	-	-	-	-	0.16	-	-	-	-	-	-	-
Purchase of fixed assets (incl Capital advances)												
- Mahindra & Mahindra Limited	126.34	147.55	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.01	0.18	-	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in Crore)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
- Mahindra Insurance Brokers Limited	-	-	0.25	0.02	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd.	-	-	-	-	0.19	-	-	-	-	-	-	-
- NBS International Limited	-	-	-	-	9.19	9.61	-	-	-	-	-	-
- Mahindra Electric Automobile Limited (MEAL)	-	-	-	-	3.11	-	-	-	-	-	-	-
Sale of fixed assets												
- Mahindra & Mahindra Limited	0.44	0.23	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.05	0.67	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	0.27	0.19	-	-	-	-	-	-
- Mahindra World City (Jaipur) Limited	-	-	-	-	0.20	-	-	-	-	-	-	-
Investments made												
- Mahindra Rural Housing Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	-	206.39	-	-	-	-	-	-	-	-
- Mahindra Manulife Trustee Company Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Finance USA, Inc	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Ideal Finance Ltd	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Finance CSR Foundation	-	-	-	-	-	-	-	-	-	-	-	-
- New Democratic Electoral Trust	-	-	-	-	-	-	-	-	-	-	-	-
- Smartshift Logistics Solutions Pvt Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments												
- Mahindra Insurance Brokers Limited	-	-	-	-	-	-	-	-	-	-	-	-
Fixed deposits taken												
- Mahindra Insurance Brokers Limited	-	-	180.00	13.50	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in Crore)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
- PSL Media & Communications Ltd	-	-	-	-	0.21	0.65	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	25.00	135.00	-	-	-	-	-	-
- Mr Ramesh Iyer	-	-	-	-	-	-	-	-	0.17	0.85	-	-
- Mr Raul Rebello	-	-	-	-	-	-	-	-	0.00	0.00	-	-
- Others	-	-	-	-	-	-	-	-	-	-	2.40	2.17
Fixed deposits matured												
- Mahindra Insurance Brokers Limited	-	-	115.50	23.00	-	-	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	-	-	0.21	-	-	-	-	-	-	-
- Mahindra & Mahindra Limited	-	4.19	-	-	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	15.00	-	-	-	-	-	-	-
- Mr Ramesh Iyer	-	-	-	-	-	-	-	-	0.85	0.80	-	-
- Mr Raul Rebello	-	-	-	-	-	-	-	-	0.00	-	-	-
- Others	-	-	-	-	-	-	-	-	-	-	2.30	2.05
Dividend paid												
- Mahindra & Mahindra Limited	405.97	386.64	-	-	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Financial Services Ltd Employees' Stock Option Trust	-	-	0.61	1.08	-	-	-	-	-	-	-	-
- Mr Ramesh Iyer	-	-	-	-	-	-	-	-	1.00	0.98	-	-
- Ms Rama Bijapurkar	-	-	-	-	-	-	-	-	0.02	0.02	-	-
- Mr Dhananjay Mungale	-	-	-	-	-	-	-	-	0.01	0.01	-	-
- Mr Raul Rebello	-	-	-	-	-	-	-	-	0.00	0.00	-	-
- Others	-	-	-	-	-	-	-	-	-	-	0.00	0.00
Inter corporate deposits taken												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	-	37.00	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
Inter corporate deposits repaid / matured												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in Crore)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
- Mahindra Insurance Brokers Limited	-	-	41.00	74.50	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	-	200.00	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	-	140.00	-	-	-	-	-	-
Debentures issued												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
Debentures matured												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt repaid												
- Mahindra Rural Housing Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-
Inter corporate deposits given												
- Mahindra Manulife Investment Management Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-
Inter corporate deposits refunded												
- Mahindra Insurance Brokers Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-
Issue of Share Capital (incl Securities premium)												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Financial Services Ltd Employees' Stock Option Trust	-	-	-	-	-	-	-	-	-	-	-	-
Balances as at the end of the period												
Receivables	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Limited	5.93	8.77	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	0.12	0.17	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	1.50	1.95	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in Crore)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
- NBS International Limited	-	-	-	-	1.19	0.40	-	-	-	-	-	-
- Mahindra & Mahindra Contech Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Susten Private Limited	-	-	-	-	-	0.01	-	-	-	-	-	-
- Gromax Agri Equipment Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	-	-	-	0.02	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	-	0.03	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	-	0.08	-	-	-	-	-	-
- Swaraj Engines Limited	-	-	-	-	-	0.00	-	-	-	-	-	-
- Mahindra Two Wheelers Limited	-	-	-	-	-	0.01	-	-	-	-	-	-
- Smartshift Logistics Solutions Pvt Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Teqo	-	-	-	-	-	0.01	-	-	-	-	-	-
- Mahindra Heavy Engines Limited	-	-	-	-	-	0.00	-	-	-	-	-	-
- Mahindra Aerostructures Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Sustainable Energy Infra Investment Managers Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd.	-	-	-	-	-	0.14	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	0.98	0.45	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd	-	-	-	-	4.42	2.61	-	-	-	-	-	-
- Mahindra Defence Systems Ltd	-	-	-	-	0.09	-	-	-	-	-	-	-
- Mahindra Agri Solutions Ltd	-	-	-	-	-	0.02	-	-	-	-	-	-
Loan given (including interest accrued but not due)	-	-	-	-	-	-	-	-	-	-	-	-
- Smartshift Logistics Solutions Pvt Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
Inter corporate deposits given (including interest accrued but not due)	-	-	-	-	-	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in Crore)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Investments												
- Mahindra Rural Housing Finance Limited	-	-	799.29	799.29	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	206.84	206.84	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Pvt Ltd	-	-	-	-	-	-	195.30	195.30	-	-	-	-
- Mahindra Manulife Trustee Company Pvt Ltd	-	-	-	-	-	-	0.50	0.50	-	-	-	-
- Mahindra Finance CSR Foundation	-	-	0.00	0.00	-	-	-	-	-	-	-	-
- Mahindra Finance USA, Inc	-	-	-	-	-	-	210.55	210.55	-	-	-	-
- Mahindra Ideal Finance Ltd	-	-	77.97	77.97	-	-	-	-	-	-	-	-
- New Democratic Electoral Trust	-	-	-	-	0.02	0.02	-	-	-	-	-	-
- Smartshift Logistics Solutions Pvt Ltd.	-	-	-	-	9.50	9.50	-	-	-	-	-	-
Subordinate debt held (including interest accrued but not due)												
- Mahindra Rural Housing Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-
Payables												
- Mahindra & Mahindra Limited	16.52	3.38	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.01	1.14	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	2.04	2.74	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	9.97	0.90	-	-	-	-	-	-
- Mahindra USA, Inc	-	-	-	-	2.35	0.42	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	-	-	1.41	1.17	-	-	-	-	-	-
- NBS International Limited	-	-	-	-	1.02	-	-	-	-	-	-	-
- Mahindra Defence Systems Ltd	-	-	-	-	-	0.38	-	-	-	-	-	-
- Bristlecone India Limited	-	-	-	-	-	0.02	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in Crore)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
- Mahindra Electric Automobile Limited (MEAL)	-	-	-	-	1.50	-	-	-	-	-	-	-
- Others	-	-	-	-	0.00	0.00	-	-	-	-	-	-
Inter corporate deposits taken (including interest accrued but not due)												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	21.64	63.96	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	-	-	-	-	-	-	-	-
Debentures (including interest accrued but not due)												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
Fixed deposits (including interest accrued but not due)												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	210.80	155.46	-	-	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	-	-	0.86	0.88	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	164.54	145.63	-	-	-	-	-	-
- Mr Ramesh Iyer	-	-	-	-	-	-	-	-	0.17	0.86	-	-
- Mr Raul Rebello	-	-	-	-	-	-	-	-	0.00	0.00	-	-
- Others	-	-	-	-	-	-	-	-	-	-	2.48	2.38

Key Management Personnel as defined in Ind AS 24 - Related Party Disclosures

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

iii) Details of related party transactions with Key Management Personnel (KMP) are as under :

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company or its employees. Accordingly, the Company considers any Director, including independent and non-executive Directors, to be key management personnel for the purposes of IND AS 24 - Related Party Disclosures.

(₹ in crore)

Name of the KMP	Nature of transactions	31st March 2025	31st March 2024
Mr. Ramesh Iyer (Vice-Chairman & Managing Director)			
(Ceased to be a Director w.e.f 29th April 2024)	Gross Salary including perquisites	3.65	7.69
	Commission	-	-
	Stock Option	-	-
	Others - Contribution to Funds	-	0.46
		3.65	**8.15**
Mr. Raul Rebello (Managing Director & Chief Executive Officer)			
(Appointed as Director w.e.f. 1st May 2023)	Gross Salary including perquisites	3.62	3.67
	Commission	-	-
	Stock Option	-	-
	Others - Contribution to Funds	0.33	0.23
		3.95	**3.90**
Mr. Dhananjay Mungale (Independent Director)			
(Ceased to be a Director w.e.f 23rd July 2024)	Commission	0.14	0.33
	Sitting fees	0.11	0.17
		0.24	**0.50**
Ms. Rama Bijapurkar (Independent Director)			
(Ceased to be a Director w.e.f 23rd July 2024)	Commission	0.14	0.33
	Sitting fees	0.09	0.14
		0.23	**0.47**
Mr. C.B. Bhave (Independent Director)			
(Ceased to be a Director w.e.f Feb 02, 2025)	Commission	0.34	0.33
	Sitting fees	0.23	0.17
		0.57	**0.50**
Mr. Milind Sarwate (Independent Director)			
	Commission	0.40	0.33
	Sitting fees	0.29	0.21
		0.69	**0.54**
Dr. Rebecca Nugent (Independent Director)			
	Commission	0.40	0.33
	Sitting fees	0.14	0.10
		0.54	**0.43**
Diwakar Gupta (Independent Director)			
	Commission	0.40	0.08
	Sitting fees	0.24	0.15
		0.64	**0.23**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in crore)

Name of the KMP	Nature of transactions	31st March 2025	31st March 2024
Vijay Kumar Sharma			
(Appointed w.e.f. 15th May 2024)	Commission	0.35	
	Sitting fees	0.09	-
		0.45	**-**
Ashwani Ghai (LIC of India representative)			
	Commission	0.39	-
	Sitting fees	0.08	0.04
		0.47	**0.04**
Siddhartha Mohanty (LIC of India representative)			
(Ceased to be a Director w.e.f 22nd May 2023)	Commission	-	-
	Sitting fees	-	0.04
Total		**-**	**0.04**

iv) Disclosure required under Section 186 (4) of the Companies Act, 2013

As at 31st March 2025

(₹ in crore)

Particulars	Relationship	Balance as on 1st April 2024	Advances / investments	Repayments/ sale	Balance as on 31st March 2025
(A) Loans and advances		-	-	-	-
		-	**-**	**-**	**-**
(B) Unsecured redeemable non-convertible subordinate debentures		-	-	-	-
		-	**-**	**-**	**-**
(C) Investments:					
Mahindra Insurance Brokers Limited	Subsidiary	206.84	-	-	206.84
Mahindra Rural Housing Finance Limited	Subsidiary	799.30	-		799.30
Mahindra Manulife Investment Management Private Limited	Joint Venture	195.30	-	-	195.30
Mahindra Manulife Trustee Private Limited	Joint Venture	0.50	-	-	0.50
Mahindra Finance CSR Foundation	Wholly owned Subsidiary	0.00		-	0.00
Mahindra Finance USA, LLC	Joint Venture	210.55	-	-	210.55
Mahindra Ideal Finance Limited, Sri Lanka (considered as Subsidiary w.e.f. 8th July 2021) (Formerly known as Ideal Finance Limited)	Subsidiary	77.97	-	-	77.97
Smartshift Logistics Solutions Private Limited	Fellow Associate	9.50	-	-	9.50
New Democratic Electoral Trust	Fellow subsidiary	0.02	-	-	0.02
		1,499.98	**-**	**-**	**1,499.98**
Total		**1,499.98**	**-**	**-**	**1,499.98**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

As at 31st March 2024

(₹ in crore)

Particulars	Relationship	Balance as on 1st April 2023	Advances / investments	Repayments/ sale	Balance as on 31st March 2024
(A) Loans and advances		-	-	-	-
		-	**-**	**-**	**-**
(B) Unsecured redeemable non-convertible subordinate debentures					
		-	**-**	**-**	**-**
(C) Investments					
Mahindra Insurance Brokers Limited	Subsidiary	0.45	206.39	-	206.84
Mahindra Rural Housing Finance Limited	Subsidiary	799.30	-		799.30
Mahindra Manulife Investment Management Private Limited	Joint Venture	195.30	-	-	195.30
Mahindra Manulife Trustee Private Limited	Joint Venture	0.50	-	-	0.50
Mahindra Finance CSR Foundation	Wholly owned Subsidiary	0.00		-	0.00
Mahindra Finance USA, LLC	Joint Venture	210.55	-	-	210.55
Mahindra Ideal Finance Limited, Sri Lanka	Subsidiary	77.97	-	-	77.97
Smartshift Logistics Solutions Private Limited	Fellow Associate	9.50	-	-	9.50
New Democratic Electoral Trust	Fellow subsidiary	0.02	-	-	0.02
		1,293.59	**206.39**	**-**	**1,499.98**
Total		**1,293.59**	**206.39**	**-**	**1,499.98**

Notes :

i) Above loans & advances and investments have been given for general business purposes of the recipient and figures are at historical cost.

ii) There were no guarantees given / securities provided during the year

52 Disclosures Pursuant To Master Direction - Reserve Bank Of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (As amended from time to time)

(₹ in crore)

Sr. No.	Particulars	As at 31st March 2025		As at 31st March 2024	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	Liabilities side:				
1)	**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :**				
	(a) Debentures :				
	- Secured	22,974.56	-	20,848.41	-
	- Unsecured	1,076.79	-	995.41	-
	(b) Deferred Credits	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in crore)

Sr. No.	Particulars	As at 31st March 2025		As at 31st March 2024	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	(c) Term Loans	52,998.12	-	46,392.36	-
	(d) Inter-corporate loans and Other Borrowings	30.48	-	229.50	-
	(e) Commercial Paper	2,153.48	-	4,882.12	-
	(f) Public Deposits	6,947.62	-	6,109.41	-
	(g) Fixed Deposits accepted from Corporates	4,456.53	-	1,434.77	-
	(h) External Commercial Borrowings	7,022.09	-	2,102.05	-
	(i) Associated liabilities in respect of securitization transactions	8,684.41	-	5,592.45	-
	(j) Associated liabilities in respect of securitization transactions	999.82	-		
	(k) Subordinate debt (including NCDs issued through Public issue)	5,529.57	-	4,005.66	-
	(l) Other Short Term Loans and credit facilities from banks	-	-	2.47	-
2)	**Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**				
	(a) In the form of Unsecured debentures	-	-	-	-
	(b) In the form of partly secured debentures i.e. Debentures where there is a shortfall in the value of security	-	-	-	-
	(c) Other public deposits	6,947.62	-	6,109.41	-

(₹ in crore)

Sr. No.	Particulars	Amount Outstanding	
		As at 31st March 2025	As at 31st March 2024
	Asset side:		
3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**		
	(a) Secured	-	-
	(b) Unsecured	6,149.03	4,992.85
4)	**Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities :**		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	-	-
	(b) Operating lease	2.72	16.75
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities :		
	(a) Loans where assets have been repossessed	162.14	108.37
	(b) Loans other than (a) above	109,953.15	94,101.95

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in crore)

Sr. No.	Particulars	Amount Outstanding	
		As at 31st March 2025	As at 31st March 2024
5)	**Break-up of Investments :**		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	161.43	11.83
	(iii) Units of mutual funds	78.12	52.86
	(iv) Government Securities	1,941.69	583.03
	(v) Investments in Certificate of Deposits with Banks	2,330.40	967.73
	(vi) Investments in Commercial Papers	593.75	757.41
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Certificate of Deposits with Banks	-	-
	(vi) Commercial Papers	-	-
	(vii) Investments in Pass Through Certificates under securitization transactions	-	-
	(viii) Investment in Triparty Repo Dealing System (TREPS)	-	124.98
	Long Term Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	0.18	0.22
	(b) Preference	-	-
	(ii) Debentures and Bonds	333.88	479.18
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	3398.41	5193.63
	2. Unquoted :		
	(i) Shares : (a) Equity	1562.62	1478.36
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	1.59
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Investments in Pass Through Certificates under securitization transactions	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

6) Borrower group-wise classification assets financed as in (3) and (4) above :

(₹ in crore)

Category	As at 31st March 2025			As at 31st March 2024		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	12.54	8.89	21.43	4.85	6.66	11.51
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	110,102.75	6,142.86	116,245.61	94,205.47	5,002.94	99,208.41
Total	**110,115.29**	**6,151.75**	**116,267.04**	**94,210.32**	**5,009.60**	**99,219.92**

7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

(₹ in crore)

Category	As at 31st March 2025		As at 31st March 2024	
	Market Value/ Break up or fair value or NAV	Book Value (net of provisions)	Market Value/ Break up or fair value or NAV	Book Value (net of provisions)
1. Related Parties				
(a) Subsidiaries	1,029.60	1,029.60	1,084.11	1,029.60
(b) Companies in the same group	533.02	533.02	448.76	448.76
(c) Other related parties	-	-	-	-
2. Other than related parties	8,870.83	8,837.86	8,188.10	8,172.46
Total	**10,433.45**	**10,400.48**	**9,720.97**	**9,650.82**

8) Other information:

(₹ in crore)

Particulars	As at 31st March 2025	As at 31st March 2024
	Amount	Amount
i) Gross Non-Performing Assets :		
(a) Related parties	-	-
(b) Other than related parties	4,413.94	3,490.90
ii) Net Non-Performing Assets :		
(a) Related parties	-	-
(b) Other than related parties	2,155.89	1,285.96
iii) Assets acquired in satisfaction of debt :	0.18	1.81

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

53 Disclosures Pursuant To Master Direction - Reserve Bank Of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (As amended from time to time)

I) Capital

(₹ in crore)

Particulars	As at 31st March 2025	As at 31st March 2024
CRAR (%)	18.33%	18.86%
CRAR-Tier I Capital (%)	15.25%	16.39%
CRAR-Tier II Capital (%)	3.08%	2.47%
Amount of subordinated debt raised as Tier-II capital (₹ in crore)	1,500.00	700.00

II) Investments

(₹ in crore)

Particulars	As at 31st March 2025	As at 31st March 2024
Value of Investments		
(i) Gross Value of Investments		
(a) In India	10,166.47	9,416.81
(b) Outside India	288.52	288.52
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	54.51	54.51
(iii) Net Value of Investments		
(a) In India	10,166.47	9,416.81
(b) Outside India	234.01	234.01
Movement of provisions held towards depreciation on investments.		
(i) Opening balance	54.51	55.49
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	(0.98)
(iv) Closing balance	54.51	54.51

III) Derivatives

a) Forward Rate Agreement (FRA) / Cross Currency, Interest Rate Swap (IRS)

(₹ in crore)

Particulars	As at 31st March 2025	As at 31st March 2024
(i) The notional principal of swap agreements	8,582.05	2,372.22
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the Company upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book (Asset / (Liability (net))	(359.10)	(335.27)

Exchange Traded Interest Rate (IR) Derivative

The Company has not entered into any exchange traded derivative.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

b) Exchange Traded Interest Rate (IR) Derivatives

The Company is not carrying out any activity of providing Derivative cover to third parties.

c) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures -

i) The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz., counter Party risk, Market Risk, Operational Risk, Basis risk etc.

ii) Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run till its life, irrespective of profit or loss. However in case of exceptions it has to be un-winded only with prior approval of M.D / CFO / Treasurer. Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.

iii) The respective functions of trading, confirmation and settlement should be performed by different personnel. The front office and back-office role is well defined and segregated. All the derivatives transactions is quarterly monitored and reviewed by CFO and Treasurer. All the derivative transactions have to be reported to the Board of Directors on every quarterly board meetings including their financial positions.

Quantitative Disclosures -

d) Foreign currency non-repatriate loans availed:

(₹ in crore)

Category	As at 31st March 2025		As at 31st March 2024	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
i) Derivatives (Notional Principal Amount)				
- For hedging		8,582.05		2,372.22
ii) Marked to Market Positions [1]				
(a) Asset (+) Estimated gain	30.95	-	-	-
(b) Liability (-) Estimated loss	(309.81)	(80.24)	(332.58)	(2.69)
iii) Credit Exposure [2]	-	-	-	-
iv) Unhedged Exposures	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

IV) Disclosures relating to Securitization

a) Disclosures in the notes to the accounts in respect of securitization transactions as required under Master Direction - Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 vide circular no. RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated 24th September 2021

(₹ in crore)

Sr no	Particulars	As at 31st March 2025	As at 31st March 2024
1)	No. of Special Purpose Entities (SPEs) holding assets for securitisation transactions originated by the NBFC (only the Special Purpose Vehicles (SPVs) relating to outstanding securitization exposures to be reported here)	21	16
2)	Total amount of securitised assets as per books of the SPEs	8,672.81	5,592.45
3)	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet -		
	a) Off-balance sheet exposures		
	First loss-		
	- Credit enhancement in form of corporate undertaking	858.35	1,449.61
	Others	-	-
	b) On-balance sheet exposures		
	First loss-		
	- Cash collateral term deposits with banks	982.33	443.78
	Others -		
	- Retained interest in pass through certificates (excluding accrued interest)	-	-
4)	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures		
	(i) Exposure to own securitizations		
	First Loss	-	-
	Others -	-	-
	- Excess Interest Spread	819.74	679.46
	(ii) Exposure to third party securitizations		
	First Loss		
	Others	-	-
	b) On-balance sheet exposures		
	(i) Exposure to own securitizations		
	First Loss	-	-
	Others -	-	-
	- Cash collateral term deposits with banks	-	-
	(ii) Exposure to third party securitizations		
	First Loss	-	-
	Others		
5)	Sale consideration received for the securitised assets (for transactions executed during the year)	6,477.28	2,928.80
	Gain/loss on sale on account of securitisation	Nil	Nil
6)	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	14.20	13.16
	*The Company has assumed Role of Servicer for all outstanding securitization transactions. Servicing fee received during the financial year is disclosed.		

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in crore)

Sr no	Particulars	As at 31st March 2025	As at 31st March 2024
7)	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	Credit Enhancement :		
	a) Opening Balance Outstanding	1,893.39	2,103.46
	b) Additions during the year (Fresh Transactions)	778.17	378.69
	c) Top Up during the year	-	-
	d) Reductions during the year (Matured Transactions)	830.88	588.76
	e) Withdrawal during the year	-	-
	f) Closing Balance Outstanding	1,840.68	1,893.39
	Excess Interest Spread (EIS) (Amount Held In Trust):		
	a) Opening Balance Outstanding	896.13	965.56
	b) Additions during the year (Fresh Transactions)	18.06	3.70
	c) Top Up during the year	186.18	252.14
	d) Reductions during the year (Matured Transactions)	555.08	325.27
	e) Withdrawal during the year	-	-
	f) Closing Balance Outstanding	545.29	896.13
8)	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc# # (may mention average default rate of previous 5 years)		
	a) Agriculture & allied activities*	7.44%	8.58%
	b) Auto Loans*	5.52%	6.33%
	* % of NPA to total advances to that asset class		
9)	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	Nil	Nil
10)	Investor complaints -		
	a) Directly/Indirectly received	Nil	Nil
	b) Complaints outstanding	Nil	Nil

b) Details of Financial Assets sold to Securitization / Reconstruction Company for Asset Reconstruction

During the current year and the previous year, the Company has not sold any financial assets to Securitization /Reconstruction Company for asset reconstruction.

V) Disclosures relating to loans transferred / acquired through assignment / novation and loan participation

a) During the current year, details of assignment transactions undertaken by the Company

	Particulars	31st March 2025	31st March 2024
1)	No. of accounts	749	-
2)	Aggregate value (net of provision) of account sold	51.67	-
3)	Aggregate consideration (to the extent of 80% of assets assigned)	41.34	-
4)	No. of transactions	1	-
5)	Weighted average maturity (residual maturity) (in months)	47.40	-
6)	Weighted average holding period (in months)	7.89	-
7)	Retention of beneficial economic interest (MRR of the assignor)	20.00%	-
8)	Coverage of tangible security coverage	100.00%	-
9)	Rating-wise distribution of weighted loans	Unrated	-
10)	Number of instances (transactions) where transferor has agreed to replace the transferred loans	-	-
11)	Number of transferred loans replaced	-	-
12)	Net gain on derecognition of financial instruments under amortised cost category	1.90	-

* During the previous year, the Company has not transferred or acquired any loan exposures through assignment / novation and loan participation.

b) During the current year and the previous year, the Company has not transferred or acquired any stressed loans.

c) During the current year and the previous year, the Company has not acquired any loans not in default through assignment.

VI) Exposures

a) Exposure to Real Estate Sector (refer note no. 53 (XVI) (a)

b) Exposure to Capital Market (refer note no. 53 (XVI) (b)

c) Details of financing of parent company products

Of the total financing activity undertaken by the Company during the financial year 2024-25: 44 % (31st March 2024: 44%) of the financing was towards parent company products.

d) Details of Single Borrower Limit (SGL) /Group Borrower Limit (GBL) exceeded by the NBFC

During the current year and the previous year, the Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) /Group Borrower Limit (GBL).

e) Unsecured Advances

As at 31st March 2025, the amount of unsecured advances stood at ₹ 6,161.54 crore (31st March 2024: ₹5,027.31 crore). There are no advances secured against intangible assets.

VII) Miscellaneous

a) Registration obtained from other financial sector regulators

Sr.no	Regulator	Registration no.	Valid From	Valid Up to
1)	AMFI Registered Mutual Fund Advisor (ARMFA)	ARN-30156	05th Aug 2022	04th Aug 2025
2)	Insurance Regulatory and Development Authority -Corporate agent	CA0939	21st May 2024	20th May 2027

Notes forming part of the Standalone Financial Statements
for the year ended 31st March 2025

b) Disclosure of Penalties and strictures imposed by RBI and other regulators

During the year under review, BSE had levied a fine of ₹ 23,600 (including GST) under Regulation 60(2) of the Listing Regulations, with respect to delay in submission by 1 (one day) of the intimation of record date for two ISINs during the month of November 2024. The Company has requested for waive-off, and the matter is under consideration with BSE.

c) Related Party Transactions

(Refer note no. 51)

d) Rating assigned by credit rating agencies and migration of ratings during the year

Credit Rating -

During the year under review, CRISIL Ratings Limited (CRISIL), has reaffirmed the credit rating of the Company's Long Term Bank Facilities, Non- Convertible Debentures, Subordinated Debt, Bank Facilities and Fixed Deposit as 'CRISIL AAA/ Stable'. The rating on the Company's Short-term Bank facilities and Commercial Paper has been reaffirmed at 'CRISIL A1+' which indicates very strong degree of safety regarding timely payment of financial obligations. Such securities carry lowest credit risk..

During the year under review, India Ratings & Research Private Limited (IND), which is part of Fitch Group, reaffirmed the rating of Company's Long-term Debt instruments, Subordinated Debt programme, Bank Facilities and Fixed Deposit Programme as 'IND AAA/Stable' and Principal protected market linked debenture as IND PP-MLD AAA /Stable. The Company's Short Term Bank Loans, Commercial Paper has been rated at IND A1+.

During the year under review, CARE Ratings, also reaffirmed the 'CARE AAA; Stable' rating to Company's Long-term debt instrument and Subordinated Debt programme.

During the year under review, Brickwork Ratings India Private Limited (BWR) has, reaffirmed the 'BWR AAA/stable' rating of the Company's Long-term Subordinated Debt Issue.

The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

'A1+' ratings indicate very strong degree of safety regarding timely payment of financial obligations. Such securities carry lowest credit risk.

VIII) Net Profit of Loss for the period ,prior period items and change in accounting policies

There are no such material items which require disclosures in the notes to Accounts in terms of the relevant Accounting Standard.

IX) Revenue Recognition

Refer note no. 2.6 under Summary of Material Accounting Policies.

X) Indian Accounting Standard 27 (Ind AS 27) - Consolidated and Separate Financial Statements (CFS)

All the subsidiaries of the Company have been consolidated as per Ind AS 27. Refer consolidated financial statements (CFS)

Notes forming part of the Standalone Financial Statements
for the year ended 31st March 2025

XI) Provisions and Contingencies

(₹ in crore)

Particulars	As at 31st March 2025	As at 31st March 2024
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		
Provisions for depreciation on Investment	-	(0.98)
Provision towards non-performing assets (Stage 3 assets)	53.36	(4.93)
Provision made towards Income tax	779.45	664.93
Other Provision and Contingencies (Loan commitment)	0.67	(0.41)
Provision for diminution in the fair value of restructured advances	-	-
Provision for Standard Assets (Stage 1 and Stage 2 assets)	5.59	112.83

Draw Down from Reserves

Year ended 31st March 2025 : Nil

Year ended 31st March 2024 : Nil

XII) Concentration of Deposits, Advances, Exposures and NPAs

a) Concentration of Deposits (for deposit taking NBFCs)

(₹ in crore)

Particulars	As at 31st March 2025	As at 31st March 2024
Total Deposits of twenty largest depositors	3,229.25	963.28
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC.	28.3%	13.4%

b) Concentration of Advances

(₹ in crore)

Particulars	As at 31st March 2025	As at 31st March 2024
Total Advances to twenty largest borrowers	1,322.63	1,354.63
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	1.1%	1.3%

c) Concentration of Exposures

(₹ in crore)

Particulars	As at 31st March 2025	As at 31st March 2024
Total Exposure to twenty largest borrowers / customers	1,322.63	1,354.63
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	1.1%	1.3%

d) Concentration of NPAs

(₹ in crore)

Particulars	As at 31st March 2025	As at 31st March 2024
Total Exposure to top four NPA accounts	24.65	18.42

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

e) Sector-wise NPAs *

Particulars	As at 31st March 2025 Percentage of NPAs to Total Advances in that sector	As at 31st March 2024 Percentage of NPAs to Total Advances in that sector
i) Agriculture & allied activities	5.0%	4.5%
ii) Auto loans	3.7%	3.5%
iii) MSME	1.1%	0.9%
iv) Corporate borrowers	0.8%	0.8%
v) Unsecured personal loans	2.3%	2.2%
vi) Other personal loans	-	-
vii) Services	-	-

* NPA represent stage 3 assets

f) Movement of NPAs *

Particulars	As at 31st March 2025	As at 31st March 2024
i) Net NPAs to Net Advances (%)	1.84%	1.28%
ii) Movement of NPAs (Gross)		
(a) Opening balance	3,490.90	3,717.10
(b) Additions during the year	2,973.04	2,214.13
(c) Reductions during the year	(2,050.00)	(2,440.33)
(d) Closing balance	4,413.94	3,490.90
iii) Movement of Net NPAs		
(a) Opening balance	1,285.96	1,507.08
(b) Additions during the year	1,630.66	774.62
(c) Reductions during the year	(760.73)	(995.74)
(d) Closing balance	2,155.89	1,285.96
iv) Movement of provisions for NPAs		
(a) Opening balance	2,204.94	2,210.03
(b) Provisions made during the year	1,342.37	1,439.50
(c) Write-off / write-back of excess provisions	(1,289.27)	(1,444.59)
(d) Closing balance	2,258.04	2,204.94

* NPA represent stage 3 assets

XIII) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

(₹ in crore)

Name of the Joint Venture/ Subsidiary	Other Partner in the JV / Subsidiary	Country	Total Assets As at 31st March 2025	Total Assets As at 31st March 2024
Mahindra Ideal Finance Limited	Ideal Finance Limited, Sri Lanka	Sri Lanka	287.95	204.38
Mahindra Finance USA, LLC*	De Lage Landen Financial Services	USA	4,653.59	4,795.35

*For financial reporting purpose, Mahindra Finance USA, LLC is considered an associate..

XIV) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored -

Domestic	Overseas
N/A	N/A

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

XV) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

As at 31st March 2025

(₹ in crore)

Particulars	1 to 7 days	8 to 14 days	15 days to 31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 year & up to 5 years	Over 5 years	Total
Deposits	29.01	444.86	525.65	160.33	245.71	1,041.29	1,802.94	6,092.00	1,062.36	-	11,404.15
Advances	1,263.44	1,869.91	1,829.81	4,063.99	4,183.83	10,190.74	17,737.94	53,247.59	18,108.83	3,717.94	116,214.02
Investments	785.40	8.89	597.48	1,110.69	983.72	645.72	973.51	1,758.14	713.39	2,823.54	10,400.48
Borrowings	1,333.53	191.39	3,977.45	3,031.91	4,394.10	7,661.11	12,639.18	41,650.92	12,261.88	7,305.76	94,447.23
Foreign Currency liabilities	-	200.12	40.98	-	-	23.62	1,647.66	5,109.71	-	-	7,022.09

As at 31st March 2024

(₹ in crore)

Particulars	1 to 7 days	8 to 14 days	15 days to 31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 year & up to 5 years	Over 5 years	Total
Deposits	27.01	28.35	86.45	134.06	176.32	553.24	1,723.83	3,735.36	1,079.56	-	7,544.18
Advances	897.06	911.12	5058.09	3443.27	3509.18	8,491.03	14,858.08	44,294.00	15,741.87	1,991.48	99,195.18
Investments	524.90	-	326.30	322.18	153.12	-	1,072.02	2,812.22	1,422.11	3,017.97	9,650.82
Borrowings	2,466.16	508.77	945.88	2544.94	5760.12	5,647.18	11,402.99	36,758.45	9,980.68	8,262.62	84,277.79
Foreign Currency liabilities	-	203.06	-	-	-	33.30	181.80	1,738.45	-	-	2,156.61

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

XVI) Exposure

a) Exposure to Real Estate Sector

(₹ in crore)

Category	As at 31st March 2025	As at 31st March 2024
i) Direct exposure		
a) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits	1,291.89	630.15
b) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	50.01	50.17
c) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
ii) Indirect exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	17.93	25.91
Total Exposure to Real Estate Sector	**1,359.83**	**706.23**

b) Exposure to Capital Market

(₹ in crore)

Particulars	As at 31st March 2025	As at 31st March 2024
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt*	126.85	42.63
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii) Bridge loans to companies against expected equity flows / issues	-	-
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Alternative Investment Funds:		
i) Category I	-	-
ii) Category II	-	-
iii) Category III	-	-
Total Exposure to Capital Market	**126.85**	**42.63**

* Excludes investments in its subsidiaries, associates and joint ventures.

c) Sectoral exposure

(₹ in crore)

Sectors	As at 31st March 2025			As at 31st March 2024		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1) Agriculture & allied activities	**17,098.73**	**901.42**	**5.3%**	**15,588.35**	**720.86**	**4.6%**
2) Industry						
i) Micro and Small	2,796.47	34.94	1.2%	2,070.57	17.50	0.8%
ii) Medium	1,219.63	1.52	0.1%	554.70	1.29	0.2%
iii) Large	669.92	0.15	0.0%	749.08	0.01	0.0%
iv) Others - Trade advances to Dealers	3,197.47	8.39	0.3%	2,879.10	6.87	0.2%
Total of Industry	**7,883.49**	**45.00**	**0.6%**	**6,253.45**	**25.66**	**0.4%**
3) Services						
i) Transport Operators	23,405.07	1,120.30	4.8%	29,340.33	1,259.11	4.3%
ii) Others	1,462.52	28.46	1.9%	1,438.06	24.31	1.7%
Total of Services	**24,867.59**	**1,148.76**	**4.6%**	**30,778.39**	**1,283.42**	**4.2%**
4) Retail / Personal loans						
i) Consumer Durables	53.31	0.23	0.4%	78.38	5.59	7.1%

Notes forming part of the Standalone Financial Statements
for the year ended 31st March 2025

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

(₹ in crore)

Sectors	As at 31st March 2025			As at 31st March 2024		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
ii) Vehicle/Auto Loans	67,308.79	2,257.09	3.4%	47,930.09	1,410.28	2.9%
iii) Personal loans	672.81	16.70	2.5%	427.72	5.52	1.3%
iv) Others	1,788.29	44.74	2.5%	1,540.39	39.57	2.6%
Total of Retail / Personal loans	**69,823.20**	**2,318.76**	**3.3%**	**49,976.58**	**1,460.96**	**2.9%**
5) Others (if any; to specify)						
Total	**119,673.01**	**4,413.93**	**3.7%**	**102,596.77**	**3,490.90**	**3.4%**

i) The disclosures as above shall be based on the sector-wise and industry-wise bank credit (SIBC) return submitted by scheduled commercial banks to the Reserve Bank and published by Reserve Bank as 'Sectoral Deployment of Bank Credit'.

ii) In the disclosures as above, if within a sector, exposure to a specific sub-sector/industry is more than 10 per cent of Tier I Capital of a NBFC, the same shall be disclosed separately within that sector. Further, within a sector, if exposure to specific sub-sector/industry is less than 10 per cent of Tier I Capital, such exposures shall be clubbed and disclosed as "Others" within that sector.

d) Intra-group exposures

(₹ in crore)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
i) Total amount of intra-group exposures	1630.26	1532.87
ii) Total amount of top 20 intra-group exposures	1630.26	1532.87
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	1.25%	1.36%

e) Unhedged foreign currency exposure

Details of its unhedged foreign currency exposures :

As at 31st March 2025: Nil

As at 31st March 2024: Nil

Policies to manage currency induced risk:

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company manages its foreign currency risk by entering into forward contract and cross currency swaps.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

XVII) Related Party Disclosure (refer Annexure - 1)

XVIII) Disclosure of complaints

a) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr no	Particulars	Year ended 31st March 2025	Year ended 31st March 2024
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	405	158
2	Number of complaints received during the year	43174	17857
3	Number of complaints disposed during the year	40024	17610
	3.1 Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	3,555	405
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	1737	853
	5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	528	262
	5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	428	299
	5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	1
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

* It shall only be applicable to NBFCS which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

b) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
Year ended 31st March 2025					
Loan and advances	122	25396	148%	1404	194
Levy of charges without prior notice/ excessive charges/ foreclosure charges	12	3908	364%	684	16
Staff behaviour	111	2583	1%	612	387
Fraud	42	1643	233%	447	259
Difficulty in operation of accounts	2	880	215%	45	22
Others	116	8764	123%	363	226
Total	**405**	**43174**	**142%**	**3555**	**1,104**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
Year ended 31st March 2024					
Loan and advances	88	10238	-8%	122	7
Levy of charges without prior notice/ excessive charges/ foreclosure charges	1	843	-31%	12	-
Staff behaviour	46	2565	13%	111	16
Fixed deposit related	-	32	-35%	-	-
Difficulty in operation of accounts	-	279	1368%	2.00	-
Others	23	3900	115%	158	12
Total	**158**	**17857**	**8%**	**405**	**35**

XIX) Breach of covenant

During the current year and previous year there is no instances of breach of covenant of loan availed or debt securities issued.

XX) Divergence in Asset Classification and Provisioning

Disclosure of details of divergence, if either or both of the following conditions are satisfied:

a) the additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period, or

b) the additional Gross NPAs identified by RBI/NHB exceeds 5 per cent of the reported Gross NPAs for the reference period.

As per the RBI inspection report for the reference period 31st March 2024, the assessment of Divergence in Asset Classification and Provisioning is below the threshold as defined under a) and b) above and hence the details as required in tabular form is not presented here.

XXI) Disclosure for NBFCs-UL

Mandatory listed within three years of identification as NBFC-UL - Not Applicable for the Company

XXII) Loan to Directors, Senior Officers and Relatives of Directors

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
i) Directors and their relatives	-	-
ii) Entities associated with Directors and their relatives	-	-
iii) Senior officers and their relatives	-	-

XXIII) Public disclosure on liquidity risk :

a) Funding Concentration based on significant counterparty (both deposits and borrowings)

As at 31st March 2025

Sr. no.	Type of instrument	Number of Significant Counterparties	Amount (₹ in crore)	% of Total deposits	% of Total Liabilities
1	Deposits	Nil	Nil	Nil	Nil
2	Borrowings	19	72,670.65	637.2%	62.8%

As at 31st March 2024

Sr. no.	Type of instrument	Number of Significant Counterparties	Amount (₹ in crore)	% of Total deposits	% of Total Liabilities
1	Deposits	Nil	Nil	Nil	Nil
2	Borrowings	19	60,013.25	836.5%	61.90%

b) Top 20 large deposits (amount in ₹ in crore and % of total deposits)

As at 31st March 2025

Description	Amount (₹ in crore)	% of Total deposits
Total for Top 20 large deposits	3,229.25	28.3%

As at 31st March 2024

Description	Amount (₹ in crore)	% of Total deposits
Total for Top 20 large deposits	963.28	12.8%

c) Top 10 borrowings (amount in ₹ in crore and % of total borrowings)

As at 31st March 2025

Description	Amount (₹ in crore)	% of Total borrowings
Total for Top 10 borrowings	59,289.58	52.53%

As at 31st March 2024

Description	Amount (₹ in crore)	% of Total deposits
Total for Top 10 borrowings	48,642.29	51.76%

d) Funding Concentration based on significant instrument/product*

Sr. no.	Name of the instrument/product	As at 31st March 2025		As at 31st March 2024	
		Amount (₹ in crore)	% of Total liabilities	Amount (₹ in crore)	% of Total liabilities
1	Non-convertible debentures (Secured)	24,051.35	20.78%	22,814.91	23.43%
2	Term loans from banks (including FCNR loans)	52,998.12	45.79%	44,790.86	46.00%
3	External Commercial Borrowings	7,022.09	6.07%	2,156.61	2.21%
4	Associated liabilities in respect of securitization transactions	8,684.41	7.50%	5,597.66	5.75%

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Sr. no.	Name of the instrument/product	As at 31st March 2025		As at 31st March 2024	
		Amount (₹ in crore)	% of Total liabilities	Amount (₹ in crore)	% of Total liabilities
5	Triparty repo dealing and settlement (TREPs) against Government securities	999.82	0.86%	1,534.71	1.58%
6	Deposits	11,404.15	9.85%	7,544.18	7.75%
7	Subordinated redeemable non-convertible debentures	5,529.57	4.78%	4,270.15	4.39%
8	Commercial Papers (Unsecured)	2,153.48	1.86%	4,882.12	5.01%
9	Inter-corporate deposits (ICDs)	-	-	-	0.00%
		112,842.99	**97.50%**	**93,591.20**	**96.12%**
	Funding Concentration pertaining to insignificant instruments/products	30.48	0.03%	387.38	0.40%
	Total borrowings under all instruments/products	**112,873.47**	**97.53%**	**93,978.58**	**96.52%**

* The amount stated in this disclosure is based on the audited financial statements for the years ended 31st March 2025 and 31st March 2024.

** Top counterparty and top 20 deposits are arrived excluding interest accrued.

e) Stock Ratios

As at 31st March 2025

Sr. no.	Name of the instrument/product	Amount (₹ in crore)	% of total public funds	% of total liabilities	% of total assets
a)	Commercial papers (CPs)	2,153.48	1.91%	1.86%	1.59%
b)	Non-convertible debentures (NCDs) with original maturity of less than 1 year	Nil	Nil	Nil	Nil
c)	Other short-term liabilities	4,224.93	3.74%	3.65%	3.12%

As at 31st March 2024

Sr. no.	Name of the instrument/product	Amount (₹ in crore)	% of total public funds	% of total liabilities	% of total assets
a)	Commercial papers (CPs)	4,882.12	5.19%	5.01%	4.23%
b)	Non-convertible debentures (NCDs) with original maturity of less than 1 year	Nil	Nil	Nil	Nil
c)	Other short-term liabilities	3,624.55	3.86%	3.72%	3.15%

f) Institutional set-up for liquidity risk management

The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Committee of the Board (ALCO) and Asset Liability Management Committee (ALMCO) oversee the implementation of liquidity risk management strategy of the Company and ensure adherence to the risk tolerance/limits set by the Board.

The Company maintains a robust funding profile with no undue concentration of funding sources. In order to ensure a diversified borrowing mix, concentration of borrowing through various sources is monitored. The Company maintains a positive cumulative mismatch in all buckets. As on 31st March 2025, the Company maintained a liquidity buffer of approximately ₹10,434 crore.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Definition of terms as used in the table above:

a) Significant counterparty:

A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's total liabilities.

b) Significant instrument/product:

A "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC's total liabilities.

c) Total liabilities:

Total liabilities include all external liabilities (other than equity).

d) Public funds:

"Public funds" includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, Debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue. It includes total borrowings outstanding under all types of instruments/products.

e) Other short-term liabilities:

All short-term borrowings other than CPs and NCDs with original maturity less than 12 months.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

53 Annexure - 1

Related Party Disclosure for the year ended 31st March 2025

Sr No.	Item/ Related Party	1. Parent (as per ownership or control)			2. Subsidiaries			3. Fellow Subsidiaries			4. Associate*			5. Directors		
		Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	-	-	-	-41.00	21.64	65.19	-	-	-	-	-	-	-	-	-
2	Deposits	-	-	-	64.50	210.80	210.80	10.00	165.40	165.40	-	-	-	-	-	-
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	-	1,084.10	1,084.10	-	9.52	9.52	-	406.35	406.35	-	-	-
6	Purchase of fixed/other assets	126.34	-	-	0.26	-	-	12.49	-	-	-	-	-	-	-	-
7	Sale of fixed/ other assets	0.44	-	-	0.05	-	-	0.47	-	-	-	-	-	-	-	-
8	Interest paid	-	-	-	13.54	-	-	11.98	-	-	-	-	-	-	-	-
9	Interest received	2.17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Others															
	- Dividend paid	405.97	-	-	0.61	-	-	-	-	-	-	-	-	-	-	-
	- Lease rental income	93.73	-	-	-	-	-	20.38	-	-	-	-	-	-	-	-
	- Subvention/ Incentive	19.17	-	-	-	-	-	9.88	-	-	-	-	-	-	-	-
	- Other Transactions	53.43	22.44	-	27.61	1.63	-	178.60	24.96	-	1.05			-	-	-
	Total	**701.26**	**22.44**	**-**	**65.56**	**1,318.17**	**1,360.09**	**243.81**	**199.88**	**174.92**	**1.05**	**406.35**	**406.35**	**-**	**-**	**-**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

53 Annexure - 1

Related Party Disclosure for the year ended 31st March 2025

Sr No.	Item/ Related Party	6. Relatives of Directors			7. Key Management Personnel			8. Relatives of Key Management Personnel			9. Others			Total		
		Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-41.00	21.64	65.19
2	Deposits	-	-	-	-0.68	0.17	0.17	0.10	2.48	2.61	-	-	-	73.92	378.84	378.97
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	1,499.97	1,499.97
6	Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	139.09	-	-
7	Sale of fixed/ other assets	-	-	-	-	-	-	-	-	-	-	-	-	0.96	-	-
8	Interest paid	-	-	-	0.06	-	-	0.18	-	-	-	-	-	25.76	-	-
9	Interest received	-	-	-	-	-	-	-	-	-	-	-	-	2.17	-	-
10	Others															
	- Dividend paid	-	-	-	1.02	-	-	0.00	-	-	-	-	-	407.60	-	-
	- Lease rental income	-	-	-	-	-	-	-	-	-	-	-	-	114.11	-	-
	- Subvention/ Incentive	-	-	-	-	-	-	-	-	-	-	-	-	29.06	-	-
	- Other Transactions	-	-	-	11.44	-	-	-	-	-	-	-	-	280.31	49.03	-
	Total	**-**	**-**	**-**	**11.84**	**0.17**	**0.17**	**0.28**	**2.48**	**2.61**	**-**	**-**	**-**	**1,031.99**	**1,949.48**	**1,944.13**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

53 Annexure - 1

Related Party Disclosure for the year ended 31st March 2024

Sr No.	Item/ Related Party	1. Parent (as per ownership or control)			2. Subsidiaries			3. Fellow Subsidiaries			4. Associate			5. Directors		
		Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	-	-	-	(37.50)	63.96	102.48	(340.00)	-	582.69	-	-	-	-	-	-
2	Deposits	(4.19)	-	4.51	(9.50)	155.46	163.06	135.65	146.50	147.15	-	-	-	-	-	-
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	206.39	1,084.10	1,084.10	-	9.52	9.52	-	406.35	406.35	-	-	-
6	Purchase of fixed/other assets	147.55	-	-	0.20	-	-	9.61	-	-	-	-	-	-	-	-
7	Sale of fixed/ other assets	0.23	-	-	0.67	-	-	0.19	-	-	-	-	-	-	-	-
8	Interest paid	0.05	-	-	15.87	-	-	11.46	-	-	-	-	-	-	-	-
9	Interest received	1.85	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Others															
	- Dividend paid	386.64	-	-	1.08	-	-	-	-	-	-	-	-	-	-	-
	- Lease rental income	100.64	-	-	-	-	-	5.90	-	-	-	-	-	-	-	-
	- Subvention/ Incentive	28.61	-	-	-	-	-	7.94	-	-	-	-	-	-	-	-
	- Other Transactions	55.62	12.15	-	12.30	3.26	-	104.21	9.41	-	0.65	-	-	-	-	-
	Total	**717.00**	**12.15**	**4.51**	**189.52**	**1,306.78**	**1,349.64**	**(65.03)**	**165.43**	**739.36**	**0.65**	**406.35**	**406.35**	**-**	**-**	**-**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

53 Annexure - 1

Related Party Disclosure for the year ended 31st March 2024

Sr No.	Item/ Related Party	6. Relatives of Directors			7. Key Management Personnel			8. Relatives of Key Management Personnel			9. Others			Total		
		Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	(377.50)	63.96	685.17
2	Deposits	-	-	-	0.05	0.86	0.86	0.12	2.38	2.39	-	-	-	122.14	305.20	317.97
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	-	-	-	-	-	-	-	-	-	206.39	1,499.97	1,499.97
6	Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	157.36	-	-
7	Sale of fixed/ other assets	-	-	-	-	-	-	-	-	-	-	-	-	1.09	-	-
8	Interest paid	-	-	-	0.06	-	-	0.16	-	-	-	-	-	27.60	-	-
9	Interest received	-	-	-	-	-	-	-	-	-	-	-	-	1.85	-	-
10	Others															
	- Dividend paid	-	-	-	1.00	-	-	0.00	-	-	-	-	-	388.73	-	-
	- Lease rental income	-	-	-	-	-	-	-	-	-	-	-	-	106.54	-	-
	- Subvention/ Incentive	-	-	-	-	-	-	-	-	-	-	-	-	36.56	-	-
	- Other Transactions	-	-	-	15.47	-	-	-	-	-	-	-	-	188.25	24.81	-
	Total	**-**	**-**	**-**	**16.59**	**0.86**	**0.86**	**0.28**	**2.38**	**2.39**	**-**	**-**	**-**	**859.01**	**1,893.95**	**2,503.11**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Liquidity Coverage Ratio (LCR) for the year ended 31st March 2025

(₹ in crore)

Particulars	Quarter ended 31st March 2025		Quarter ended 31st December 2024		Quarter ended 30th September 2024		Quarter ended 30th June 2024	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)	5,643.06	5,542.23	4,956.00	4,459.00	4,871.84	4,378.70	5,164.29	4,642.96
(refer note 1 below)					-	-	-	-
Cash Outflows								
2 Deposits (for deposit taking companies)	387.45	387.45	202.00	202.00	176.71	176.71	155.05	155.05
3 Unsecured wholesale funding	2,091.64	2,091.64	2,581.00	2,581.00	1,513.54	1,513.54	1,824.54	1,824.54
4 Secured wholesale funding	2,877.80	2,877.80	1,708.00	1,708.00	1,885.25	1,885.25	1,491.18	1,491.18
5 Additional requirements, of which					-	-	-	-
i) Outflows related to derivative exposures and other collateral requirements	87.69	87.92	-	-	-	-	-	-
ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	1,308.33	1,308.33	1,758.00	1,758.00	1,828.02	1,828.02	1,891.30	1,891.30
7 Other contingent funding obligations	207.22	197.50	272.00	16.00	193.13	193.13	90.72	90.72
8 TOTAL CASH OUTFLOWS	**6,960.13**	**6,950.64**	**6,521.00**	**6,265.00**	**5,596.65**	**5,596.65**	**5,452.78**	**5,452.78**
Cash Inflows								
9 Secured lending	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	1,084.62	1,084.62	4,646.20	4,646.20	4,310.19	4,310.19	6,103.32	6,103.32
11 Other cash inflows	11,217.86	11,217.86	4,426.61	3,803.35	3,417.34	3,417.34	1,175.32	1,175.32
12 TOTAL CASH INFLOWS	**12,302.48**	**12,302.48**	**9,072.81**	**8,449.55**	**7,727.53**	**7,727.53**	**7,278.63**	**7,278.63**
TOTAL ADJUSTED VALUES								
13 TOTAL HQLA	**5,643.06**	**5,542.23**	**4,956.00**	**4,459.00**	**4,871.84**	**4,378.70**	**5,164.29**	**4,642.96**
14 TOTAL NET CASH OUTFLOWS	(5,342.35)	(5,351.84)	(2,551.81)	(2,184.55)	(2,130.88)	(2,130.88)	(1,825.86)	(1,825.86)
25 % of Total Cash Out Flow	1,740.03	1,737.66	1,630.25	1,566.25	1,399.16	1,399.16	1,363.19	1,363.19
15 LIQUIDITY COVERAGE RATIO (%)	**324%**	**319%**	**304%**	**285%**	**348%**	**313%**	**379%**	**341%**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Computation of Net cash outflows

(₹ in crore)

	Net Cash outflows over the 30 days period	Quarter ended 31st March 2025		Quarter ended 31st December 2024		Quarter ended 30th September 2024		Quarter ended 30th June 2024	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
A	Stressed Cash Outflows @ 115% of Outflows	8,004.15	7,993.23	7,499.15	7,204.75	6,436.15	6,436.15	6,270.70	6,270.70
B	Stressed Cash Inflows @ 75% of Inflows	9,226.86	9,226.86	6,804.61	6,337.16	5,795.65	5,795.65	5,458.98	5,458.98
C	Net Stressed Cash Flows (Stressed Cash Out Flow - Stressed Cash Inflow)	(1,222.71)	(1,233.62)	694.54	867.59	640.50	640.50	811.72	811.72
D	25% of Stressed Cash Outflows	2,001.04	1,998.31	1,874.79	1,801.19	1,609.04	1,609.04	1,567.67	1,567.67
E	Greater Value of C or D	2,001.04	1,998.31	1,874.79	1,801.19	1,609.04	1,609.04	1,567.67	1,567.67
F	Liquidity Coverage Ratio (%) After Applying Stress Factor - (1 / E)	282%	277%	264%	248%	303%	272%	329%	296%

1) The average weighted and unweighted amounts are calculated taking simple average based on daily observation for the respective quarter. The weightage factor applied to compute weighted average value is constant for all the quarters.

2) Prior to introduction of LCR framework, the Company used to maintain a substantial share of its liquidity in form of fixed deposits with banks and investment in debt mutual funds. Post the introduction of LCR framework, the Company has consciously worked towards increasing its investment in High Quality Liquid Assets (HQLA) as per the RBI guidelines in order to meet the LCR requirement.

3) Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

4) Components of High Quality Liquid Assets (HQLA)

(₹ in crore)

Particulars	Quarter ended 31st March 2025		Quarter ended 31st December 2024		Quarter ended 30th September 2024		Quarter ended 30th June 2024	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
I Assets to be included as HQLA without any haircut:								
- Cash	141.23	141.23	159.86	159.86	116.69	116.69	126.27	126.27
- Government securities	4,829.66	4,829.66	4,445.51	4,000.96	4,402.60	3,962.34	4,687.63	4,218.87
II Assets to be considered for HQLA with a minimum haircut of 15%:								
- Corporate Bonds	350.00	297.50	350.52	297.94	352.56	299.68	350.39	297.83
- Commercial Papers	322.17	273.84	-	-	-	-	-	-
III Assets to be considered for HQLA with a minimum haircut of 50%:								
- Commercial Papers	-	-	-	-	-	-	-	-
TOTAL	**5,643.06**	**5,542.23**	**4,955.89**	**4,458.76**	**4,871.84**	**4,378.70**	**5,164.29**	**4,642.96**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Liquidity Coverage Ratio (LCR) for the year ended 31st March 2024

(₹ in crore)

Particulars	Quarter ended 31st March 2024		Quarter ended 31st December 2023		Quarter ended 30th September 2023		Quarter ended 30th June 2023	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)	5,375.55	4,831.24	5,689.19	5,117.14	5,041.10	4,531.83	5,845.16	5,257.93
(refer note 1 below)								
Cash Outflows								
2 Deposits (for deposit taking companies)	117.50	117.50	144.92	144.92	163.70	163.70	172.94	172.94
3 Unsecured wholesale funding	1,433.15	1,433.15	856.29	856.29	956.20	956.20	869.62	869.62
4 Secured wholesale funding	1,675.10	1,675.10	1,058.74	1,058.74	1,249.03	1,249.03	1,397.62	1,397.62
5 Additional requirements, of which								
i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	2,029.11	2,029.11	1,745.90	1,745.90	1,743.28	1,743.28	1,952.53	1,952.53
7 Other contingent funding obligations	109.07	109.07	215.15	215.15	320.75	320.75	156.55	156.55
8 TOTAL CASH OUTFLOWS	**5,363.94**	**5,363.94**	**4,021.00**	**4,021.00**	**4,432.97**	**4,432.97**	**4,549.26**	**4,549.26**
Cash Inflows								
9 Secured lending	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	5,671.24	5,671.24	6,271.58	6,271.58	5,925.09	5,925.09	5,024.14	5,024.14
11 Other cash inflows	849.23	849.23	880.79	880.79	888.20	888.20	745.38	745.38
12 TOTAL CASH INFLOWS	**6,520.47**	**6,520.47**	**7,152.37**	**7,152.37**	**6,813.29**	**6,813.29**	**5,769.52**	**5,769.52**
TOTAL ADJUSTED VALUES								
13 TOTAL HQLA	**5,375.55**	**4,831.24**	**5,689.19**	**5,117.14**	**5,041.10**	**4,531.83**	**5,845.16**	**5,257.93**
14 TOTAL NET CASH OUTFLOWS	(1,156.53)	(1,156.53)	(3,131.37)	(3,131.37)	(2,380.32)	(2,380.32)	(1,220.26)	(1,220.26)
25 % of Total Cash Out Flow	1,340.98	1,340.98	1,005.25	1,005.25	1,108.24	1,108.24	1,137.31	1,137.31
15 LIQUIDITY COVERAGE RATIO (%)	**401%**	**360%**	**566%**	**509%**	**455%**	**409%**	**514%**	**462%**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Computation of Net cash outflows

(₹ in crore)

Net Cash outflows over the 30 days period	Quarter ended 31st March 2024		Quarter ended 31st December 2023		Quarter ended 30th September 2023		Quarter ended 30th June 2023	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
A Stressed Cash Outflows @ 115% of Outflows	6,168.53	6,168.53	4,624.15	4,624.15	5,097.92	5,097.92	5,231.65	5,231.65
B Stressed Cash Inflows @ 75% of Inflows	4,890.35	4,890.35	5,364.28	5,364.28	5,109.97	5,109.97	4,327.14	4,327.14
C Net Stressed Cash Flows (Stressed Cash Out Flow - Stressed Cash Inflow)	1,278.18	1,278.18	(740.13)	(740.13)	(12.05)	(12.05)	904.51	904.51
D 25% of Stressed Cash Outflows	1,542.13	1,542.13	1,156.04	1,156.04	1,274.48	1,274.48	1,307.91	1,307.91
E Greater Value of C or D	1,542.13	1,542.13	1,156.04	1,156.04	1,274.48	1,274.48	1,307.91	1,307.91
F Liquidity Coverage Ratio (%) After Applying Stress Factor - (1 / E)	349%	313%	492%	443%	396%	356%	447%	402%

Notes:

1) The average weighted and unweighted amounts are calculated taking simple average based on monthly observation for the respective quarter. The weightage factor applied to compute weighted average value is constant for all the quarters.

2) Prior to introduction of LCR framework, the Company used to maintain a substantial share of its liquidity in form of fixed deposits with banks and investment in debt mutual funds. Post the introduction of LCR framework, the Company has consciously worked towards increasing its investment in High Quality Liquid Assets (HQLA) as per the RBI guidelines in order to meet the LCR requirement.

3) Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

4) Components of High Quality Liquid Assets (HQLA)

(₹ in crore)

Particulars	Quarter ended 31st March 2024		Quarter ended 31st December 2023		Quarter ended 30th September 2023		Quarter ended 30th June 2023	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
I Assets to be included as HQLA without any haircut:								
- Cash	107.61	107.61	143.90	143.90	124.07	124.07	156.36	156.36
- Government securities	4,917.56	4,425.80	5,194.90	4,675.41	4,565.56	4,109.00	5,321.93	4,789.74
II Assets to be considered for HQLA with a minimum haircut of 15%:								
- Corporate Bonds	350.39	297.83	350.39	297.83	351.47	298.75	366.87	311.84
- Commercial Papers	-	-	-	-	-	-	-	-
III Assets to be considered for HQLA with a minimum haircut of 50%:								
- Commercial Papers	-	-	-	-	-	-	-	-
TOTAL	**5,375.55**	**4,831.24**	**5,689.19**	**5,117.14**	**5,041.10**	**4,531.83**	**5,845.16**	**5,257.93**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

54 Disclosure as required under Guidelines on Resolution Framework for COVID-19-related Stress issued by RBI

During the year ended 31st March 2022, to relieve COVID-19 pandemic related stress, the Company had invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI.

i) Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP. BC/3/21.04.048/2020-21 dated 6th August 2020 and RBI/2 021- 22/31/DOR.STR. REC.11 /21.04.048/2021-22 dated 5th May 2021

Format - B: For the half year ended 31st March 2025

(₹ in crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year (B)	Of (A) amount written off during the half-year (C)	Of (A) amount paid by the borrowers during the half-year (D)	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year * (E)
Personal Loans	112.70	13.54	0.94	40.56	57.66
Corporate persons ^	4.70	-	-	4.70	-
Of which, MSMEs	-	-	-	-	-
Others -					-
- Vehicle loans for commercial purpose	145.49	13.04	2.04	58.99	71.42
Total	**262.89**	**26.58**	**2.98**	**104.25**	**129.08**

^ As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016
* In respect of OTR 2.0, above includes restructuring implemented till 30th September 2021

Format - B: For the half year ended 31st March 2024

(₹ in crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year (B)	Of (A) amount written off during the half-year (C)	Of (A) amount paid by the borrowers during the half-year (D)	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year * (E)
Personal Loans	327.36	14.18	1.76	111.18	200.24
Corporate persons ^	21.85	-	-	6.33	15.52
Of which, MSMEs	-	-	-	-	-
Others -					-
- Vehicle loans for commercial purpose	469.85	17.23	6.40	176.62	269.60
Total	**819.06**	**31.41**	**8.16**	**294.13**	**485.36**

^ As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016
* In respect of OTR 2.0, above includes restructuring implemented till 30th September 2021

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

55 Disclosures Pursuant To Master Direction - Reserve Bank Of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (As amended From Time To Time)

i) A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109

Year ended 31st March 2025

(₹ in crore)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Gross Carrying Amount as per IRACP	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)= (3) - (4)		(6)	(7) = (4) - (6)
Performing Assets							
Standard	Stage 1	108,747.49	598.48	108,149.01	108,118.05	432.77	165.71
	Stage 2	6,511.58	602.48	5,909.10	4,813.37	19.26	583.22
Subtotal for standard		**115,259.07**	**1,200.96**	**114,058.11**	**112,931.43**	**452.03**	**748.93**
Non-Performing Assets (NPA)							
Substandard	Stage 3	2,587.43	924.28	1,663.15	4,226.39	438.85	485.43
Doubtful - up to 1 year	Stage 3	1,182.09	690.59	491.50	1,322.77	595.59	95.00
1 to 3 years	Stage 3	479.66	479.70	(0.04)	475.48	319.97	159.73
More than 3 years	Stage 3	1.22	1.16	0.06	0.94	0.93	0.23
Subtotal for doubtful		**1,662.97**	**1,171.45**	**491.52**	**1,799.19**	**916.49**	**254.96**
Loss	Stage 3	163.54	162.31	1.22	150.75	150.75	11.56
Subtotal for NPA		**4,413.94**	**2,258.04**	**2,155.89**	**6,176.34**	**1,506.10**	**751.95**
Subtotal for Business Assets		**119,673.01**	**3,459.00**	**116,214.01**	**119,107.76**	**1,958.13**	**1,500.88**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	10.28	56.64	(46.36)	10.28	56.64	-
	Stage 2	1.33	0.02	1.31	1.33	0.02	-
	Stage 3	0.98	0.41	0.57	0.98	0.41	-
Subtotal		**12.59**	**57.07**	**(44.48)**	**12.59**	**57.07**	**-**
Total	Stage 1	**108,757.77**	**655.12**	**108,102.65**	**108,128.33**	**489.41**	**165.71**
	Stage 2	**6,512.91**	**602.50**	**5,910.41**	**4,814.70**	**19.28**	**583.22**
	Stage 3	**4,414.92**	**2,258.45**	**2,156.46**	**6,177.32**	**1,506.51**	**751.95**
Total		**119,685.60**	**3,516.07**	**116,169.53**	**119,120.35**	**2,015.20**	**1,500.88**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

Year ended 31st March 2024

(₹ in crore)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Gross Carrying Amount as per IRACP	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)= (3) - (4)		(6)	(7) = (4) - (6)
Performing Assets							
Standard	Stage 1	93,946.14	606.40	93,339.74	93,759.90	375.04	231.36
	Stage 2	5,159.73	590.25	4,569.48	3,983.02	16.37	573.88
Subtotal for standard		**99,105.87**	**1,196.65**	**97,909.22**	**97,742.92**	**391.41**	**805.24**
Non-Performing Assets (NPA)							
Substandard	Stage 3	1,551.19	663.18	888.01	2,438.39	275.85	387.33
Doubtful - up to 1 year	Stage 3	1,103.85	705.90	397.95	1,490.90	693.73	12.17
1 to 3 years	Stage 3	669.62	669.62	-	672.81	493.54	176.08
More than 3 years	Stage 3	5.63	5.63	-	5.63	5.59	0.04
Subtotal for doubtful		**1,779.10**	**1,381.15**	**397.95**	**2,169.34**	**1,192.86**	**188.29**
Loss	Stage 3	160.61	160.61	-	246.12	246.12	(85.51)
Subtotal for NPA		**3,490.90**	**2,204.94**	**1,285.96**	**4,853.85**	**1,714.83**	**490.11**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	22.13	55.32	(33.18)	22.13	55.32	-
	Stage 2	2.28	0.05	2.23	2.28	0.05	-
	Stage 3	0.61	0.16	0.44	0.61	0.16	-
Subtotal		**25.02**	**55.53**	**(30.51)**	**25.02**	**55.53**	**-**
Total	Stage 1	**93,968.27**	**661.72**	**93,306.56**	**93,782.03**	**430.36**	**231.36**
	Stage 2	**5,162.01**	**590.30**	**4,571.71**	**3,985.30**	**16.42**	**573.88**
	Stage 3	**3,491.51**	**2,205.10**	**1,286.40**	**4,854.46**	**1,714.99**	**490.11**
Total		**102,621.79**	**3,457.12**	**99,164.67**	**102,621.79**	**2,161.77**	**1,295.35**

Since the total impairment allowances under Ind AS 109 is higher than the total provisioning required under IRACP (including standard asset provisioning) as at 31st March 2025 and March 31 2024, no amount is required to be transferred to 'Impairment Reserve' for both the financial years. The gross carrying amount of asset as per Ind AS 109 and Loss allowances (Provisions) thereon includes interest accrual on net carrying value of stage - 3 assets as permitted under Ind AS 109. While, the provisions required as per IRACP norms does not include any such interest as interest accrual on NPAs is not permitted under IRACP norms.

The balance in the 'Impairment Reserve' (as and when created) shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

ii) As at 31st March 2025 and March 31 2024, there were no loan accounts that are past due beyond 90 days but not treated as impaired, i.e. all 90+ DPD ageing loan accounts have been classified as Stage-3 and no dispensation is considered in stage-3 classification.

iii) Policy for sales / transfers out of amortized cost business model portfolios

Sale/ transfer of portfolios out of amortized cost business model:

As a short-term financing arrangement, the Company has been transferring or selling certain pools of fixed rate loan receivables backed by underlying assets in the form of tractors, vehicles, equipments etc. by entering in to securitization transactions with the Special Purpose Vehicle Trusts ("SPV Trust") sponsored by Commercial banks for consideration received in cash at the inception of the transaction. As a part of annual budgetary planning and with the objective of better liquidity and risk management, the Company, at the beginning of the year, obtains approval of Asset Liability Committee and Risk Management Committee of the Board of Directors for undertaking securitization transactions of certain value of standard assets comprising the collateral based loan receivables at appropriate times during the year.

These transactions are carried out after complying with RBI guidelines on securitization of standard assets. The consideration received through such securitization transactions is utilized for funding regular vehicle loan disbursements to customers who service their loans through fixed instalments over a specified period of loan tenor. Besides using securitization as alternate financing tool, it is also being used as a effective Balance sheet management through better liquidity and risk management by transfer of assets from risk averse to risk takers.

When the assets in the form of loan receivables are sold / transferred to an SPV/Bank through securitization transaction, then on a consolidated portfolio level, such sale/transfer does not change the Company's business objective of holding financial assets to collect contractual cash flows.

The Company remains exposed to credit risk, being the expected losses that will be incurred on the securitized loan portfolio to the extent of the credit enhancement provided. Any increase in losses as compared to the expected loss shall require the Company to present its credit enhancement / cash collateral to help compensate the investors. This is as per the requirement of the Reserve Bank of India. Thus, the Company as per Ind AS 109 has retained substantially all the risks and rewards of ownership of the financial asset.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Accordingly, these financial assets are not de-recognized by the Company from the financial statements prepared under Ind AS. Since the contractual terms of these financial assets give rise to cash flows, that are solely payments of principal and interest, on specified dates, these assets meet the SPPI criterion and are thus continued to be recognized in the books at amortized cost.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2025

56 During the year ended 31st March 2025, the Company has made a contribution of ₹ 21.00 crore to New Democratic Electoral Trust, a Trust approved by the Central Board of Direct Taxes under Electoral Trust Scheme, 2013 to enable Electoral Trust to make contributions to political party/parties duly registered with the Election Commission, in such manner and at such times as it may decide from time to time. This contribution was as per the provisions of section 182 of the Companies Act, 2013. There was no such contribution made during the year ended 31st March 2024.

57 Events after the reporting date

There have been no other events after the reporting date that require disclosure in these financial statements.

58 Previous year figures have been regrouped /reclassified wherever necessary to conform to current year presentation.

Signatures to Notes 1 to 58

In terms of our report attached.
For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No: 044577

For M. P. Chitale & Co.
Chartered Accountants
Firm's Registration No: 101851W

Ashutosh Pednekar
Partner
Membership No: 041037

Mumbai
22nd April 2025

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Mumbai
22nd April 2025

Independent Auditor's Report

To the Members of
Mahindra & Mahindra Financial Services Ltd

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of Mahindra & Mahindra Financial Services Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") and its share of net profit after tax and total comprehensive income of its associate and joint ventures, which comprise the Consolidated Balance Sheet as at 31st March 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries, associate and joint ventures referred to in the Other Matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2025, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in the 'Other Matter' paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended 31st March 2025. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

A. Key Audit Matters for Parent

Key Audit Matter	How our audit addressed the key audit matter
Impairment of loans and advances to customers	
(Refer Note 2 for material accounting policies and Note 50.2 for credit risk disclosures of the Standalone Financial Statements)	
As at 31st March 2025, the Parent has reported gross loan assets of ₹ 1,19,673.02 crore against which an impairment loss of ₹ 3,459 crore has been recorded. The Parent recognized impairment provision for loan assets based on the Expected Credit Loss ("ECL") approach laid down under 'Ind AS 109 - Financial Instruments'. The estimation of ECL on financial instruments involves significant management judgement and estimates and the use of different modelling techniques and assumptions which could have a material impact on reported profits. Significant management judgement and assumptions involved in measuring ECL is required with respect to: • ensuring completeness and accuracy of the data used to create assumptions in the model. • determining the criteria for a significant increase in credit risk. • factoring in future economic assumptions techniques used to determine probability of default, loss given default and exposure at default. These parameters are derived from the Parent's internally developed statistical models and other historical data. **Disclosure** The disclosures regarding the Parent's application of Ind AS 109 are key to explaining the key judgements and material inputs to the ECL results. Further, disclosures to be provided as per RBI circulars with regards to Non-Performing Assets and provisions is also an area of focus. Considering the significance of the above matter to the overall financial statements and extent of management's estimates and judgements involved, it required significant auditor attention. Accordingly, we have identified this as a key audit matter.	Our audit included assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following: • Obtained an understanding of the modelling techniques adopted by the Parent including the key inputs and assumptions; • Considered the Parent's accounting policies for estimation of Expected Credit Loss on loans and assessing compliance with the policies in terms of Ind AS 109; • Obtained an understanding of the management's updated processes, systems and controls implemented in relation to impairment allowance process. • Accuracy of the computation of the ECL estimate including reasonableness of the methodology and assumption used to determine macro-economic overlays; • Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording, monitoring of the impairment loss recognized and staging of assets; • Assessed the critical assumptions and input data used in the estimation of Expected Credit Loss models for specific key credit risk parameters, such as the movement logic between stages, Exposure at default (EAD), probability of default (PD) or loss given default (LGD); • Evaluated the reports and working for the methodology used in the computation of Through The Cycle PD, Point In Time PD and LGD, among others; • Performed test of details over calculation of ECL, in relation to the completeness and accuracy of the data • Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable; • Assessed the appropriateness and adequacy of the related presentation and disclosures of Note 50 "Financial Risk Management" disclosed in the Standalone financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.
Information Technology and General Controls	
The Parent is highly dependent upon its Information Technology (IT) systems for carrying out its operations and owing to the significant volume of transactions that are processed daily basis as part of the operations, which impacts key financial accounting and reporting. The Parent has put in place the IT General Controls and application controls to ensure that the information produced by the Parent is complete, accurate and reliable. Among other things, the Management also uses the information produced by the entity's IT systems for accounting and preparation and the presentation of the of the financial statements. Since our audit strategy included focus on entity's key IT systems relevant to our audit due to their potential pervasive impact on the financial statements, we have determined the use of IT systems and related control environment for accounting and financial reporting as a key audit matter.	Our audit procedures for assessment of the IT systems and controls over financial reporting, which includes carrying out the key audit procedures, but were not limited to the following: • Obtained an understanding of the Parent's key IT systems, IT General Controls which covered access controls, program/ system changes, program development and computer operations i.e., job processing, data/ system backup and incident management and application controls relevant to our audit. • Tested the design, implementation and operating effectiveness of the general IT controls over the key IT systems that are critical to financial reporting. This included evaluation of entity's controls to ensure segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being re-certified during the period of audit. • Tested application controls (automated controls), related interfaces and report logic for system generated reports relevant to the audit of loans, expenses, payroll, borrowings and investment among others, for evaluating completeness and accuracy and; • Tested compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would impact the controls or completeness and accuracy of data. • We have also relied on IS and other technology audits conducted during the year.

B. Key Audit Matters for Subsidiary Companies - Key Matters reported by the Auditors of Mahindra Rural Housing Finance Ltd. for the year ended 31st March 2025

Key Audit Matter	Auditor's Response
Impairment of loans and advances	
The subsidiary has recognized impairment loss allowance of ₹ 460.29 crore in its Statement of Profit and Loss during the year 2024-25. The subsidiary has maintained impairment provisions amounting to ₹ 609.78 crore as at 31st March 2025. Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using Expected Credit Loss (ECL) model. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the subsidiary's estimation of ECLs are: • Data inputs - The application of ECL model requires several data inputs. This increases the risk that the data has been used to derive assumptions in the model, which are used for ECL calculations, may not be complete and accurate. • Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Exposures at Default ("EAD"), Probabilities of Default ("PD") and Loss Given Default ("LGD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Subsidiary's modelling approach. • Economic scenarios - Ind AS 109 requires the Subsidiary to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. During the year, the Subsidiary has engaged an industry expert to assist it in review and updation of the ECL model. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties and other macro-economic factors, which are often outside the control of the Subsidiary. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the financial statements, the subsidiary's auditors have considered this as a key audit matter.	Key audit procedures included: • Performed end to end process walkthroughs to identify the key systems, applications and controls used in the impairment loss allowance processes. Tested the relevant general IT and application controls over key systems used in the impairment loss allowance process. • Assessed the design and implementation of controls in respect of the Subsidiary's impairment allowance process such as the timely recognition of impairment loss, the completeness and accuracy of reports used in the impairment allowance process and management review processes over the calculation of impairment allowance and the related disclosures on credit risk management. • Testing management's controls over authorization and calculation of post model adjustments and management overlays, if any. • Evaluated whether the methodology applied by the Subsidiary is in compliance of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology, checking mathematical accuracy of the workings. • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of periods considered, economic forecasts, weights and model assumptions applied. • Testing the 'Governance Framework' over validation, implementation and model monitoring in line with the RBI framework. • Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in the financial statements are appropriate and sufficient. • Obtained management representations wherever considered necessary.
IT Systems and Controls	
The Subsidiary has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Transfer of data from / to these applications is critical for accurate compilation of financial information. Further, the Subsidiary's financial accounting and reporting processes are dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. The Subsidiary's auditors have identified 'IT systems and controls' as key audit matter because of the high-level automation, number of systems being used by the management and the inherent risks/ complexity of the IT architecture.	The Subsidiary's auditor performed the following key audit procedures: • Performed control testing on user access management, change management, segregation of duties, system and system application controls over key financial accounting and reporting systems. • Tested key controls operating over information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • Tested the design and operating effectiveness of key controls over user access management which includes granting access / right, new user creation, removal of user rights.

Information Other than the Consolidated Financial Statements and Auditor's report thereon

6. The Parent's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Parent's Boards Report including annexures to the Boards Report (including annexures thereto) and Management Discussion and Analysis ("MD&A") (collectively referred to as "Other Information"), but does not include the Consolidated Financial Statements and our Auditor's Report thereon. The Other Information is expected to be made available to us after the date of this Auditor's Report.

   Our opinion on the Consolidated Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

7. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

   When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

8. The accompanying consolidated financial statements have been approved by the Parent's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India including the accounting standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, RBI Guidelines and other accounting principles generally accepted in India. The respective Board of Directors of the entities included in the Group are responsible.

9. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the

accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Parent, as aforesaid.

10. In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the companies in the Group, its associate and joint ventures are responsible for assessing the ability of respective companies, its associate and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

11. The respective Board of Directors of the companies included in the Group, its associate and joint ventures are also responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

    As part of an audit in accordance with SAs, specified under section 143(10) of the Act, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;

    - Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, its associate and joint ventures to cease to continue as a going concern;

    - Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation; and

    - Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group, its associate and joint ventures to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the financial year ended 31st March 2025 and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of ₹ 9,454.44 crore as at 31st March 2025, total revenue (before consolidation adjustments) of ₹ 662.96 crore and total net loss after tax (before consolidation adjustments) of ₹ (133.33) crore and net cash inflows of ₹ 163.69 crore for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

17. The consolidated financial statements also include the Group's share of net (loss) after tax of ₹ (4.89) crore and total comprehensive loss of ₹ (4.99) crore for the year ended 31st March 2025, as considered in the consolidated financial statements, in respect of two joint ventures. One joint venture has been audited by other auditors and the other has been audited by M. P. Chitale & Co., one of the joint auditors of the Parent, whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, is based solely on the report of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

18. The consolidated financial statements also include the Group's share of net profit after tax of ₹ 70.11 crore and total comprehensive income of ₹ 70.11 crore for the year ended 31st March 2025, in respect of an associate, based on their financial statements which have not been audited by their auditors. According to the information and explanations given to us by the Management, these financial statements are not material to the Group.

    Our opinion on the consolidated financial statements above and our report on "Other Legal and Regulatory Requirements" below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements certified by the Management.

19. These Consolidated Financial Statements include the figures for the year ended 31st March 2024 which were audited by predecessor auditors who expressed an unmodified opinion as relevant on

those Consolidated Financial Statements vide their audit report dated 04th May 2024. Our opinion on the Consolidated Financial Statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

20. As required by Section 143(3) of the Act and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and joint ventures referred to in the 'Other Matters section' above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor, except for the matters stated in paragraph 18(g)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules");

(c) The Consolidated Financial Statements dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of Consolidated Financial Statements;

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the IND AS specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representation received from the Directors of the Parent, and taken on records by the Board of Directors of the Parent and the records of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors are disqualified as on 31st March 2025 from being appointed as a Director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Parent and its subsidiary company incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in Annexure I wherein we have expressed an unmodified opinion, and;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its Directors during the year is in accordance with the provisions of section 197 of the Act. Based on auditor's report of respective subsidiary companies and joint ventures incorporated in India, the Company has paid remuneration to its Directors during the year in accordance with the provisions of Section 197 of the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor on the separate financial statements of the subsidiary as noted in other matter paragraph:

i. The Consolidated Financial Statements discloses the impact of pending litigations the consolidated financial position of the Group as detailed in Note 44 to the Consolidated Financial Statement;

ii. The Group has made provision as on 31st March 2025 as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as detailed in Note 47 to the Consolidated Financial Statement;

iii. During the year, the Parent Company, its subsidiary companies and joint venture companies incorporated in India, has regularly transferred the required amounts to the Investor Education and Protection Fund as detailed in Note 20 to the Consolidated Financial Statements.

iv. (a) The respective Managements of the Parent and its subsidiaries and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries and joint ventures to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries, and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries as disclosed in Note 37(vi) to the Consolidated Financial Statement;

(b) The respective Managements of the Parent and its subsidiaries and joint ventures which are companies incorporated in India, whose Financial Statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts no funds(which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries and joint ventures from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries, and joint ventures shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries as disclosed in Note 37(vi) to the Consolidated Financial Statement;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.

As stated in Note 23 to the Consolidated Financial Statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the Parent has used various accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility, which have operated throughout the year for all relevant transactions recorded in the software, except in respect of customer masters in two accounting software wherein earlier value is not retained, databases maintained in two accounting software where the audit trail feature was not enabled for part of the year and five accounting software where the audit trail feature at the database level (DML logs) was not enabled throughout the year to log any direct data changes. Based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with. In respect of the aforesaid masters and databases, in the absence of audit trail for the said period, the question of our commenting on whether the audit trail was tampered with, does not arise. Additionally, the audit trail has been preserved by the Parent as per the statutory requirements for record retention.

Based on the examination which included test checks performed by the respective auditors of subsidiary companies and joint venture companies incorporated in India whose financial statements have been audited under the Act, the Subsidiary companies and joint ventures have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software, except for the below mentioned exceptions by one of the subsidiary company's auditor.

Based on our examination, which included test checks, the Subsidiary has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility, which have operated throughout the year for all relevant transactions recorded in the software, except that the audit trail log for any change at direct data base level is not preserved for the period April 2024 to September 2024. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with in respect of accounting software. The Subsidiary has not preserved audit trail logs for the previous year at a database level. Except these exceptions, the audit trail log has been preserved by the Subsidiary in accordance with statutory record retention requirements.

21. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies Auditor's Report Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the Consolidated Financial Statements, except for the following in the Parent's Standalone Financial Statements.

    a. In our opinion, and according to the information and explanations given to us, undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues, as applicable, have been regularly deposited with the appropriate authorities by the Company. As explained to us, the Company does not have any dues on account of Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax.

    The following undisputed amounts payable in respect of Provident Fund are in arrears as at 31st March 2025, for a period of more than six months from the date they became payable:

Name of the Statute	Nature of the Dues	Amount due in ₹	Period to which the amount relates	Due Date	Date of payment (if paid)	Remarks
Provident Fund	PF Contribution	14,85,672	April 2022 - September 2024	Various due dates	-	Due to pending Aadhar Seeding of employees

    b. To the best of our knowledge, report under sub-section (12) of section 143 of the Companies Act has been filed by the predecessor Joint Statutory Auditor in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government on 12th June 2024.

For M M Nissim & Co LLP
Chartered Accountants
Firm Regn. No. 107122W/W100672

Sanjay Khemani
Partner
Membership No.: 044577
UDIN: 25044577BMOBDN5486

Place: Mumbai
Date: 22nd April 2025

For M. P. Chitale & Co.
Chartered Accountants
Firm Regn. No.101851W

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 25041037BMLWNT7506

Place: Mumbai
Date: 22nd April 2025

Annexure "I"

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

referred to in paragraph 18 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Mahindra & Mahindra Financial Services Ltd of even date:

In conjunction with our audit of the Consolidated Financial Statements of the Mahindra & Mahindra Financial Services Ltd (hereinafter referred to as "Parent"), its subsidiary companies, and joint ventures which are companies incorporated in India, as of 31st March 2025, we have audited the internal financial controls with reference to the Consolidated Financial Statements of Group, as at that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent, its subsidiary companies, and joint ventures which are companies incorporated in India are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on internal control over financial reporting criteria established by the Parent considering the essential component of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

Our responsibility is to express an opinion on the internal financial controls of the Parent and its subsidiary companies and joint ventures which are companies incorporated in India, with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements, and Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to these Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls with reference to these Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A Company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to these Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, and joint ventures, which are companies incorporated in India, have maintained, in all material respects, an adequate internal financial controls system with reference to these Consolidated Financial Statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2025, based on the internal financial controls established by the Parent considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to six subsidiary companies and two joint ventures, which are company incorporated in India, is based solely on the corresponding report of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For M M Nissim & Co LLP
Chartered Accountants
Firm Regn. No. 107122W/W100672

Sanjay Khemani
Partner
Membership No.: 044577
UDIN: 25044577BMOBDN5486

Place: Mumbai
Date: 22nd April 2025

For M. P. Chitale & Co.
Chartered Accountants
Firm Regn. No.101851W

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 25041037BMLWNT7506

Place: Mumbai
Date: 22nd April 2025

Consolidated Balance Sheet

as at 31st March 2025

(₹ in crore)

Particulars	Note	As at 31st March 2025	As at 31st March 2024
ASSETS			
Financial Assets			
a) Cash and cash equivalents	3	1,830.25	903.54
b) Bank balance other than (a) above	4	4,016.95	3,171.55
c) Derivative financial instruments	5	30.95	-
d) Receivables			
i) Trade receivables	6	246.69	173.35
ii) Other receivables		-	-
e) Loans	7	123,513.56	106,343.96
f) Investments			
i) Investments accounted using Equity Method	8 (i)	1,106.19	1,019.43
ii) Other investments	(ii)	9,483.60	8,579.03
g) Other financial assets	9	262.84	251.58
		140,491.03	**120,442.44**
Non-financial Assets			
a) Current tax assets (Net)		736.36	733.47
b) Deferred tax Assets (Net)	10 (i)	828.55	801.80
c) Property, plant and equipment	11 (a)	1,027.13	982.97
d) Capital work-in-progress	11 (b)	0.52	0.15
e) Intangible assets under development	12 (a)	65.64	105.44
f) Other intangible assets	12 (b)	179.82	24.99
g) Other non-financial assets	13	776.21	624.53
		3,614.23	**3,273.35**
Total Assets		**144,105.26**	**123,715.79**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
a) Derivative financial instruments	14	391.61	335.27
b) Payables	15		
I) Trade payables			
i) total outstanding dues of micro enterprises and small enterprises		0.33	0.42
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,440.32	1,678.60
II) Other payables			
i) total outstanding dues of micro enterprises and small enterprises		2.71	2.80
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		17.87	61.71
c) Debt Securities	16	29,861.90	30,984.91
d) Borrowings (Other than Debt Securities)	17	71,753.53	56,943.87
e) Deposits	18	11,373.97	7,533.19
f) Subordinated Liabilities	19	6,103.84	4,753.46
g) Other financial liabilities	20	1,042.44	877.87
		121,988.52	**103,172.10**
Non-Financial Liabilities			
a) Current tax liabilities (Net)		82.22	128.60
b) Provisions	21	256.74	254.73
c) Other non-financial liabilities	22	204.80	185.50
		543.76	**568.83**
EQUITY	23		
a) Equity Share Capital		246.98	246.88
b) Other Equity		21,282.48	19,686.37
Equity attributable to owners of the Company		**21,529.46**	**19,933.25**
Non-controlling interests		43.52	41.61
		21,572.98	**19,974.86**
Total Liabilities and Equity		**144,105.26**	**123,715.79**

The accompanying notes form an integral part of the consolidated financial statements. 1 to 57

In terms of our report attached.
For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No: 044577

For M. P. Chitale & Co.
Chartered Accountants
Firm's Registration No: 101851W

Ashutosh Pednekar
Partner
Membership No: 041037

Mumbai
22nd April 2025

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Mumbai
22nd April 2025

Consolidated Statement of Profit and Loss

for the year ended 31st March 2025

(₹ in crore)

Particulars	Note	Year ended 31st March 2025	Year ended 31st March 2024
Revenue from operations			
i) Interest income	24	16,566.40	14,412.33
ii) Dividend income		-	-
iii) Rental income		153.45	115.46
iv) Fees, charges and commission income	25	527.87	184.32
v) Net gain on fair value changes	26	21.97	27.08
vi) Sale of services	27	1,191.51	1,057.66
vii) Net gain on derecognition of financial instruments under amortized cost category		1.90	-
I Total Revenue from operations		**18,463.10**	**15,796.85**
II Other income	28	67.36	173.47
III Total income (I+II)		**18,530.46**	**15,970.32**
Expenses			
i) Finance costs	29	8,415.43	6,959.20
ii) Fees and commission expense		1,045.23	867.84
iii) Impairment on financial instruments	30	2,085.36	1,955.75
iv) Employee benefits expenses	31	2,354.94	2,261.44
v) Depreciation, amortization and impairment	32	321.21	274.85
vi) Others expenses	33	1,346.61	1,119.17
IV Total expenses		**15,568.78**	**13,438.25**
V Profit before exceptional items, share of profit of associate and joint venture and tax (III-IV)		**2,961.68**	**2,532.07**
VI Exceptional items		-	-
VII Share of Profit of Associate and Joint Venture		65.23	56.11
VIII Profit before tax (V +VI + VII)		**3,026.91**	**2,588.18**
IX Tax expense :	9 (ii)		
(i) Current tax		820.93	716.10
(ii) Deferred tax		(54.89)	(70.97)
		766.04	**645.13**
X Profit for the year (VIII-IX)		**2,260.87**	**1,943.05**
XI Other Comprehensive Income (OCI)			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) on defined benefit plans		(7.49)	(8.81)
- Net gain / (loss) on equity instruments through OCI		84.26	-
- Share of other comprehensive income / (loss) of equity accounted investees		(0.10)	(0.15)
(ii) Income tax impact thereon	9 (iii)	(19.33)	2.23
Subtotal (A)		**57.34**	**(6.73)**
(B) (i) Items that will be reclassified to profit or loss			
- Exchange differences in translating the financial statements of foreign operations		3.36	8.13
- Net gain / (loss) on debt instruments through OCI		97.38	71.98
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		(62.23)	(3.38)
- Share of other comprehensive income / (loss) of equity accounted investees		21.64	10.93
(ii) Income tax impact thereon	9 (iii)	(8.85)	(17.26)
Subtotal (B)		**51.30**	**70.40**
Other Comprehensive Income (A+B)		**108.64**	**63.67**
XII Total Comprehensive Income for the year (X + XI)		**2,369.51**	**2,006.72**
Profit for the year attributable to:			
Owners of the Company		2,261.87	1,932.69
Non-controlling interests		(1.00)	10.36
		2,260.87	**1,943.05**
Other Comprehensive Income for the year attributable to:			
Owners of the Company		107.23	60.26
Non-controlling interests		1.41	3.41
		108.64	**63.67**
Total Comprehensive Income for the year attributable to:			
Owners of the Company		2,369.10	1,992.95
Non-controlling interests		0.41	13.77
		2,369.51	**2,006.72**
XIII Earnings per equity share (Face value ₹2/- per equity share)	34		
Basic (₹)		18.32	15.66
Diluted (₹)		18.31	15.65

The accompanying notes form an integral part of the consolidated financial statements. 1 to 57

In terms of our report attached.
For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No: 044577

For M. P. Chitale & Co.
Chartered Accountants
Firm's Registration No: 101851W

Ashutosh Pednekar
Partner
Membership No: 041037

Mumbai
22nd April 2025

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Mumbai
22nd April 2025

Statement of Changes in Equity for Consolidated financial statements

for the year ended 31st March 2025

A. Equity share capital

(₹ in crore)

Particulars	Amount
Issued, Subscribed and fully paid up:	
Balance as at 1st April 2023	**246.72**
Changes due to prior period errors	-
Restated balance as at 1st April 2023	246.72
Changes during the year:	
Add: Allotment of shares by ESOP Trust to employees on exercise of options (refer note 35a)	0.16
Balance as at 31st March 2024	**246.88**
Balance as at 1st April 2024	**246.88**
Changes due to prior period errors	-
Restated balance as at 1st April 2024	246.88
Changes during the year:	
Add: Allotment of shares by ESOP Trust to employees on exercise of options (refer note 35a)	0.10
Balance as at 31st March 2025	**246.98**

B. Other Equity

₹ in crore

Particulars	Reserves and Surplus						Item of Other Comprehensive Income				Total Other Equity	Non-controlling Interests	Total
	Statutory reserve	Capital redemption reserve	Securities premium	General reserve	Employee stock options outstanding	Retained earnings or Profit & loss account	Debt instruments through OCI	Equity instruments through OCI	Effective portion of cash flow hedges	Foreign Currency Translation Reserve			
Balance as at 1st April 2023	**2,828.10**	**50.00**	**7,170.35**	**813.83**	**40.19**	**7,417.35**	**(125.84)**	**21.47**	**(4.74)**	**102.67**	**18,313.37**	**141.35**	**18,454.72**
Changes in accounting policy/prior period errors											-		-
Restated balance as at 1st April 2023											-		-
Profit for the year						1,932.69	-	-	-	-	1,932.69	10.36	1,943.05
Other Comprehensive Income						(6.71)	53.85	-	(2.54)	15.66	60.26	3.41	63.67
Total Comprehensive Income	-	-	-	-	-	**1,925.98**	**53.85**	-	**(2.54)**	**15.66**	**1,992.95**	**13.77**	**2,006.72**
Dividend paid on equity shares (including tax thereon)						(740.23)					(740.23)	-	(740.23)
Transfers to Securities premium on exercise of employee stock options			1.94		-						1.94		1.94
Securities premium on shares allotted to ESOP Trust through Rights Issue			13.77		(13.77)						-		-
Employee stock options expired				0.25	(0.25)						-		-
Share based payment expense					4.28						4.28		4.28
Transfers to Statutory reserves	352.87					(352.94)					(0.07)	-	(0.07)
Changes in Group's Interest						114.13					114.13	(113.51)	0.62
Gross obligation at fair value to acquire non-controlling interest						-					-		-
Balance as at 31st March 2024	**3,180.97**	**50.00**	**7,186.06**	**814.08**	**30.45**	**8,364.29**	**(71.99)**	**21.47**	**(7.28)**	**118.33**	**19,686.37**	**41.61**	**19,727.98**

Statement of Changes in Equity for Consolidated financial statements

for the year ended 31st March 2025

B. Other Equity

₹ in crore

Particulars	Reserves and Surplus						Item of Other Comprehensive Income				Total Other Equity	Non-controlling Interests	Total
	Statutory reserve	Capital redemption reserve	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Debt instruments through OCI	Equity instruments through OCI	Effective portion of cash flow hedges	Foreign Currency Translation Reserve			
Balance as at 1st April 2024	**3,180.97**	**50.00**	**7,186.06**	**814.08**	**30.45**	**8,364.28**	**(71.99)**	**21.47**	**(7.28)**	**118.33**	**19,686.37**	**41.61**	**19,727.98**
Changes in accounting policy/prior period errors											-		-
Restated balance as at 1st April 2024											-		-
Profit for the year						2,261.87	-	-	-	-	2,261.87	(1.00)	2,260.87
Other Comprehensive Income						(5.71)	72.86	63.05	(46.57)	23.60	107.23	1.41	108.64
Total Comprehensive Income	-	-	-	-	-	**2,256.16**	**72.86**	**63.05**	**(46.57)**	**23.60**	**2,369.10**	**0.41**	**2,369.51**
Dividend paid on equity shares (including tax thereon)						(777.78)					(777.78)	-	(777.78)
Transfers to Securities premium on exercise of employee stock options			8.22		(8.22)						-		-
Securities premium on shares allotted to ESOP Trust through Rights Issue			1.12		-						1.12		1.12
Employee stock options expired				0.42	(0.42)						-		-
Share based payment expense					4.31						4.31		4.31
Transfers to Statutory reserves	469.13					(469.13)					-	-	-
Changes in Group's Interest						(0.64)					(0.64)	1.50	0.86
Gross obligation at fair value to acquire non-controlling interest						-					-		-
Balance as at 31st March 2025	**3,650.10**	**50.00**	**7,195.40**	**814.50**	**26.12**	**9,372.89**	**0.87**	**84.52**	**(53.85)**	**141.93**	**21,282.48**	**43.52**	**21,326.00**

The accompanying notes 1 to 57 form an integral part of the consolidated financial statements.

In terms of our report attached.
For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No: 044577

For M. P. Chitale & Co.
Chartered Accountants
Firm's Registration No: 101851W

Ashutosh Pednekar
Partner
Membership No: 041037

Mumbai
22nd April 2025

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Mumbai
22nd April 2025

Statement of Consolidated cash flows

for the year ended 31st March 2025

(₹ in crore)

	Particulars	Year ended 31st March 2025	Year ended 31st March 2024
A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before exceptional items and taxes	**2,961.68**	**2,532.07**
	Adjustments for:		
	Depreciation, amortization and impairment	321.20	274.85
	Impairment on financial instruments (excluding bad debts and write offs)	574.20	305.60
	Bad debts and write offs	1,558.91	1,714.89
	Interest expense	8,561.85	6,934.79
	Interest income from loans	(15,687.77)	(13,573.21)
	Interest income from other deposits with banks	(318.80)	(266.11)
	Net (Gain) / loss on fair value of derivative financial instruments	(107.25)	11.05
	Unrealized foreign exchange (Gain)/loss	37.74	(76.49)
	Share based payments to employees	5.90	5.90
	Net (Gain)/loss on fair value changes	(2.37)	(3.59)
	Interest income on investments	(524.37)	(552.06)
	Dividend income	-	-
	Net gain on derecognition of property, plant and equipment	(4.41)	(6.97)
	Net (gain) / loss on sale of investments	(13.28)	0.86
	Operating profit / (loss) before working capital changes	**(2,636.77)**	**(2,698.42)**
	Adjustments for changes in working capital -		
	Loans	(18,141.35)	(22,370.62)
	Trade receivables	(68.30)	(71.41)
	Other financial assets	(24.37)	(0.75)
	Other financial liabilities	31.96	37.39
	Other non-financial assets	(145.23)	(217.23)
	Trade Payables	(191.61)	415.23
	Other non-financial liabilities	(13.54)	72.52
	Derivative financial instruments	131.08	145.10
	Provisions	(8.06)	(61.06)
	Cash generated from / (used in) operations before adjustments for interest received and interest paid	**(21,066.19)**	**(24,749.25)**
	Interest paid	(6,522.04)	(6,925.23)
	Interest received from loans	12,856.58	14,052.60
	Cash generated from / (used in) operations	**(14,731.65)**	**(17,621.88)**
	Income taxes paid (net of refunds)	(870.23)	(826.67)
	NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)	**(15,601.88)**	**(18,448.55)**
B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, plant and equipment and intangible assets	(441.89)	(323.30)
	Proceeds from sale of Property, plant and equipment	69.10	52.78
	Purchase of investments measured at amortized cost	(4,076.29)	(3,230.91)
	Proceeds from sale of investments measured at amortized cost	4,011.31	3,464.70
	(Increase) / decrease in Investment in Triparty Repo Dealing System (TREPS) (net)	124.98	(124.98)
	Purchase of investments measured at FVOCI	-	(167.41)
	Proceeds from sale of investments measured at FVOCI	476.39	445.26
	Purchase of investments measured at FVTPL	(18,373.51)	(3,691.29)
	Proceeds from sale of investments measured at FVTPL	17,126.91	3,933.38
	Consideration received on partial disposal of subsidiary, net of cash (loss of control)	-	(206.39)
	Proceeds from / (Investments in) term deposits with banks (net)	(843.82)	1,770.78
	Dividend income received	-	-
	Interest received from other deposits with banks	324.80	219.11
	Interest income received on investments measured at amortized cost, FVOCI, FVTPL and at cost	525.22	528.52
	Change in Earmarked balances with banks	(0.09)	0.03
	NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	**(1,076.89)**	**2,670.28**

Statement of Consolidated cash flows

for the year ended 31st March 2025

(₹ in crore)

	Particulars	Year ended 31st March 2025	Year ended 31st March 2024
C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings through Debt Securities	28,723.60	19,552.48
	Repayment of borrowings through Debt Securities	(29,913.08)	(17,580.68)
	Proceeds from Borrowings (Other than Debt Securities)	42,918.51	36,804.26
	Repayment of Borrowings (Other than Debt Securities)	(28,250.28)	(23,934.92)
	Proceeds from borrowings through Subordinated Liabilities	1,600.00	700.00
	Repayment of borrowings through Subordinated Liabilities	(284.04)	(140.15)
	(Decrease) / Increase in loans repayable on demand and cash credit/overdraft facilities with banks (net)	-	(169.97)
	Increase / (decrease) in Public deposits (net)	3,703.24	1,708.98
	Payments of lease liability	(114.84)	(105.22)
	Dividend paid	(777.78)	(739.88)
	NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	**17,605.33**	**16,094.90**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**926.56**	**316.63**
	Cash and Cash Equivalents at the beginning of the year	**903.54**	**586.53**
	Unrealised gain/(loss) on foreign currency cash and cash equivalents	0.15	**0.38**
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (refer note 3)	**1,830.25**	**903.54**
	Components of Cash and Cash Equivalents		
	Cash and cash equivalents at the end of the year		
	- Cash on hand	58.99	65.35
	- Cheques and drafts on hand	16.28	27.92
	- Balances with banks in current accounts	340.57	262.89
	- Term deposits with original maturity up to 3 months	1,412.00	547.38
	- Interest accrued on Term deposits	2.41	-
Total		**1,830.25**	**903.54**

Note :

1) The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

2) Purchase of Property, plant and equipment and intangible assets represents additions to Property, plant and equipment and intangible assets adjusted for movement of capital-work-in-progress during the year.

In terms of our report attached.
For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No: 044577

For M. P. Chitale & Co.
Chartered Accountants
Firm's Registration No: 101851W

Ashutosh Pednekar
Partner
Membership No: 041037

Mumbai
22nd April 2025

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Mumbai
22nd April 2025

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

1 COMPANY INFORMATION

Mahindra & Mahindra Financial Services Limited ('the Company') with Corporate ID No.: L65921MH1991PLC059642, incorporated on 1st January 1991 and domiciled in India, is a public limited company, headquartered in Mumbai. The Company is a Non-Banking Financial Company ('NBFC'), primarily engaged in financing new and pre-owned auto, utility vehicles, tractors, passenger cars and commercial vehicles through its pan India branch network. The Company has a diversified lending portfolio across retail, small and medium enterprises and commercial customers with a significant presence in rural and semi-urban India.

The Company is registered as a Systemically Important Deposit Accepting NBFC as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act, 1934 with effect from 4th September 1998, with registration no. 13.00996 and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22nd February 2019. The equity shares of the Company are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") in India. The Company is a subsidiary of Mahindra & Mahindra Limited.

The Company's registered office is at Gateway Building, Apollo Bunder, Mumbai 400001, India.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY

2.1 Statement of compliance and basis for preparation and presentation of financial statements

The consolidated financial statements of Mahindra & Mahindra Financial Services Limited ('the Parent') and its subsidiaries ('the Group') and its associates and joint ventures have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act.

Any application guidance/ clarifications/ directions/ expectations issued by RBI or other regulators are implemented as and when they are issued/ applicable.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These consolidated financial statements have been approved by the Company's Board of Directors and authorized for issue on 22nd April 2025.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or '₹') which is also the Group's functional currency. All amounts are rounded-off to the nearest crore, unless indicated otherwise.

2.3 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain assets and liabilities which are measured at fair values as required by relevant Ind AS.

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, associates and joint ventures.

Subsidiaries

Subsidiaries are entities over which the Group has control. Subsidiaries are consolidated on a line-by-line basis from the date the control is transferred to the Group. They are deconsolidated from the date that control ceases. Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted as equity transactions. The carrying amount of the Company's interests and the non-controlling interests ("NCI") are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. These financial statements are prepared by applying uniform accounting policies in use at the Group.

Associates

Associates are the entities over which the Group has significant influence. Investment in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have the rights to the net assets of the arrangement. Investment in joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost.

2.5 Measurement of fair values

The Group's certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has established policies and procedures with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.6 Use of estimates and judgments and Estimation uncertainty

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Following are areas that involved a higher degree of estimate and judgment or complexity in determining the carrying amount of some assets and liabilities.

Effective Interest Rate (EIR) Method

The Group recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgment regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

Impairment of Financial Assets

The measurement of impairment losses on loan assets and commitments, requires judgment, in estimating the amount and timing of future cash flows and recoverability

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Group's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgments and estimates include:

- The Group's criteria for assessing if there has been a significant increase in credit risk
- The classification of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model
- Management overlay, if any, used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Group's lending portfolios.

It has been the Group's policy to regularly review its model in the context of actual loss experience and adjust when necessary (refer note 50).

Provisions and contingent liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

The reliable measure of the amounts pertaining to litigations and the regulatory proceedings in the ordinary course of the Group's business are disclosed as contingent liabilities.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Provision for income tax and deferred tax assets:

The Group uses estimates and judgments based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid/ recovered for uncertain tax positions. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses, if any, can be utilised. Accordingly, the Group exercises its judgment to reassess the carrying amount of deferred tax assets at the end of each reporting period.

Defined Benefit Plans:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Going Concern

The financial statements of the Group are prepared on a going concern basis for the year ended 31st March 2025.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

The Management is satisfied that the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

2.7 Revenue recognition :

a) Recognition of interest income

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at FVOCI and debt instruments designated at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

The Group calculates interest income related to financing business by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

In case of credit-impaired financial assets, the Group recognises interest income on the amortised cost net of impairment loss on financial assets at EIR. If financial asset is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis (amortised cost).

Additional interest levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.

Interest on trade advances, are recognized when they become measurable and when it is not unreasonable to expect their ultimate collection.

Income from bill discounting is recognized over the tenure of the instrument so as to provide a constant periodic rate of return.

- Interest income from on investments is recognised when it is certain that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

b) Recognition of interest income on securitized loans

The Parent company securitizes certain pools of loan receivables in accordance with applicable RBI guidelines. The Parent Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Payout Account maintained by the SPV Trust for making scheduled payouts to the investors in Pass Through Certificates (PTCs) issued by the SPV Trust. These securitization transactions also requires the Parent Company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral, subscription to subordinated PTCs as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Parent Company is exposed to credit risk, being the expected losses that will be incurred on the

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Parent Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the de-recognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as "Associated liability related to Securitization transactions" and the loan receivables securitized are continued to be reflected as loan assets. These loan assets are carried at amortized cost and the interest income is recognized by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

In case of credit-impaired financial assets, the Parent Company recognises interest income on the amortised cost net of impairment loss on financial assets at EIR. If financial asset is no longer credit-impaired, the Parent Company reverts to calculating interest income on a gross basis (amortised cost).

c) **Subvention income**

Subvention income received from manufacturer / dealers at the inception of the loan contracts which is directly attributable to individual loan contracts in respect of vehicles financed is recognized in the Statement of profit and loss using the effective interest method over the tenor of such loan contracts measured at amortized cost.

In case of subvention income which is subject to confirmation from manufacturer and received later than inception date is recognized in the Statement of profit and loss using straight line method over the tenor of such loan contracts.

d) **Rental Income**

Income from operating leases is recognised in the Statement of profit and loss on a straight-line basis over the lease term. In certain lease arrangements, variable rental charges are also recognised over and above minimum commitment charges based on usage pattern and make/model of the asset.

e) **Income from finance lease**

The income earned on finance lease are recognised in the Statement of profit and loss account based on pattern reflecting constant periodic return on the Group's net investment in lease.

The fees / charges received towards fleet management services rendered to customers is recognized over the lease term.

f) **Fees, charges and commission income :**

The Group recognises service and administration charges at point in time towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees and commission that are not directly linked to the sourcing of financial assets are recognised at point in time in the Statement of Profit and Loss when the right to receive the same is established.

Instrument Return Charges levied on customers for non payment of instalments on the contractual date is recognised on realisation.

Distribution income is earned by distribution of services and products of other entities under distribution arrangements. The income so earned is recognised on successful distribution on behalf of other entities subject to there being no significant uncertainty of its recovery from the other entities.

Foreclosure or prepayment charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

Collection fee related to transfered assets under securitisation transactions is recognised on remittance of collection proceeds to Special Purpose Vehicle (SPV) created under securitization transaction.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

Collection fee related to transfered assets under assignment deals is recognised on remittance of collection proceeds to assignees as per the service agreement entered with the assignees.

g) **Income on Derecognised (Assigned) Loans:**

Gains arising out of direct assignment transactions comprises of the difference between interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the expected cash flow on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss.

h) **Sale of services:**

Income from insurance broking business services is recognised net of Goods and Service Tax (GST) amount on rendering of services. Brokerage income is recognized on receiving details of the policy issued by the insurance company or receipt of brokerage whichever is earlier. The revenue from rendering of consultancy services is recognised in proportion to the stage of completion of the transaction at the reporting date.

2.8 Property, Plant and Equipments (PPE)

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Cost of acquisition consists of purchase price or construction cost which is the amount paid, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured.

Other repairs and maintenance costs are expensed off as and when incurred.

Advances paid towards the acquisition of PPE (excluding lease improvements) outstanding at each balance sheet date are disclosed separately as "Capital advances" under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date and cost of leasehold improvements. Capital work-in-progress is stated at cost, net of impairment loss, if any. On completion of work related to leasehold property improvements, the relevant cost is capitalized and the same is amortized over the lease term.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis subject to exceptions listed here below. Depreciation methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

In accordance with Ind AS 116 - Leases, the Right-Of-Use assets (Leasehold premises) are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-Of-Use assets (Leasehold premises) are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The estimated useful lives used for computation of depreciation are as follows:

Buildings	60 years
Computers and Data processing units	3 to 6 years
Furniture and fixtures	10 years
Office equipments	5 years
Vehicles	8 years and 10 years
Vehicles under lease	Over the lease term of the respective agreements
Right-Of-Use assets (Leasehold premises)	Over the lease term of the respective agreements

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

Exceptions to useful lives specified in Schedule II to the Companies Act, 2013-

- Assets costing less than ₹5000/- are fully depreciated in the period of purchase.
- Vehicles provided to employees as part of Cost-To-Company (CTC) scheme are depreciated using estimated useful life of 4 years.
- Repossessed vehicles capitalized for own use are depreciated at 15% leading to an estimated useful life of 6.67 years.

PPE is derecognized on disposal or when no future economic benefits are expected from its use. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognized in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognized.

2.9 a) Intangible assets :

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

Intangible assets representing computer software are amortised using the straight-line method over a period of 3 to 6 years, which is the Management's estimate of useful life. Amortization methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

b) Intangible assets under development :

The Group, initially recognizes intangible asset under development at cost during the development phase based on the management's judgement that technological and economic feasibility is confirmed. Upon completion of the development phase, the amount is capitalized as intangible asset.

2.10 Foreign exchange transactions and translations :

a) Initial recognition

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction date.

b) Translation

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in Statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Thus, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

Non-monetary items that are measured at historical cost in foreign currency are not retranslated at reporting date.

2.11 Financial instruments :

a) Initial Recognition -

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

b) Classification and subsequent measurement -

- Financial assets

  On initial recognition, a financial asset is classified as measured at
- Amortised cost;
- FVOCI - debt instruments;
- FVOCI - equity instruments;
- FVTPL

Amortised cost -

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held within a business model of collecting contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest ('SPPI') on the principal amount outstanding. Accordingly, the Group measures Bank balances, Loans, Trade receivables and other financial instruments at amortised cost.

FVOCI - debt instruments -

The Group measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI - equity instruments -

The Group subsequently measures all equity investments at fair value through profit or loss, unless the management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

If the Group elects to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments. Investments representing equity interest in subsidiary, joint venture and associate are carried at cost less any provision for impairment.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

All financial asset not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instrument which are accounted as per hedge accounting requirements discussed below.

Subsequent measurement of financial assets

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income and impairment provisions are recognized in Statement of profit and loss. Any gain and loss on derecognition is recognized in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income at coupon rate and impairment provision, if any, are recognized in Statement of profit and loss. Net gains or losses on fair valuation are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Group makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of profit and loss.

c) Financial liabilities and equity instruments:

Classification as debt or equity -

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments -

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Group are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities -

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

d) Financial guarantee contracts:

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115-Revenue from Contracts with Customers.

e) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

f) Derivative financial instruments and hedge accounting

The Group enters into derivative financial instruments, primarily foreign exchange forward contracts, currency swaps and interest rate swaps, to manage its borrowing exposure to foreign exchange and interest rate risks.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognized at fair value on the date on which the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognized in Statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash

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flows of the hedged item attributable to the hedged risk.

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity (relating to effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

g) Impairment of financial instruments

Equity instruments are not subject to impairment under Ind AS 109.

The Group recognises lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information (refer note 50).

The Group recognizes lifetime ECL for trade advances. The expected credit losses on trade advances are estimated using a provision matrix based on the Group's historical credit loss experience.

The industry benchmarking is used for leasing portfolio in the absence of sufficent history.

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Group's lending portfolios. Emerging local or global macroeconomic, micro economic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognized.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities measured at FVOCI, the loss allowance is recognized in OCI.

Loan contract renegotiation and modifications:

Loans are identified as renegotiated and classified as credit impaired when we modify the contractual payment terms due to significant credit distress of the borrower. Renegotiated loans remain classified as credit impaired until there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows and retain the designation of renegotiated until maturity or derecognition.

A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms, or if the terms of an existing agreement are modified such that the renegotiated loan is a substantially different financial instrument. Any new loans that arise following derecognition events in these circumstances are considered to be originated credit impaired financial asset and will continue to be disclosed as renegotiated loans.

Other than originated credit-impaired loans, all other modified loans could be transferred out of stage 3 if they no longer exhibit any evidence of being credit impaired and, in the case of renegotiated loans, there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows over the minimum observation period, and there are no other indicators of impairment. These loans could be transferred to stage 1 or 2 based on the risk assessment mechanism by comparing the risk of a default occurring at the reporting date (based on the modified contractual terms) and the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms). Any amount written off as a result of the modification of contractual terms would not be reversed.

Loan modifications that are not identified as renegotiated are considered to be commercial restructuring. Where a commercial restructuring results in a modification (whether legalised through an amendment to the existing terms or the issuance of a new loan contract) such that the Group's rights to the cash flows under the original contract have expired, the old loan is derecognised and the new loan is recognised at fair value. The rights to cash flows are generally considered to have expired if the commercial restructure is at market rates and no payment-related concession has been provided. Mandatory and general offer loan modifications that are not borrower-specific, for example market-wide customer relief programmes announced by the Regulator or other statutory body, have not been classified as renegotiated loans and so have not resulted in derecognition, but their stage allocation is determined considering all available and supportable information under our ECL impairment policy.

h) Simplified approach for trade receivables and contract assets -

The Group follows simplified approach for recognition of impairment loss allowance on trade receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk.

i) Collateral repossessed -

The underlying loans in respect of which collaterals have been repossessed but not sold are considered as Stage 3 assets and impairment allowance is estimated as per the ECL policy.

In the normal course of business, the Group does not physically repossess assets/properties or other assets in its

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retail portfolio, but engages external agents to recover funds, generally by selling at auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. As a result of this practice, the assets / properties under legal repossession processes are not recorded on the balance sheet.

j) **Write offs -**

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Group determines that the debtor/borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off as per the Group's policy. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "Bad debts and write offs" forming part of "Impairment on financial instruments" in Statement of profit and loss.

2.12 Employee benefits:

a) **Short-term employee benefits**

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) **Contribution to Provident Fund and ESIC and National Pension Scheme-**

The defined contribution plans i.e. provident fund (administered through Regional Provident Fund Office), superannuation scheme and employee state insurance corporation and National Pension Scheme are post-employment benefit plans under which an entity pays fixed contributions and will have no legal and constructive obligation to pay further amounts beyond its contributions. The Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Group's contribution paid/payable during the year to provident fund, Superannuation scheme, ESIC and National Pension Scheme is recognized in the Statement of profit and loss.

c) **Gratuity and post retirement medical benefit -**

The Company's liability towards gratuity and post retirement medical benefit schemes are determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognized at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/termination benefits.

The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement gains/losses -

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognised in Statement of profit and loss.

d) **Leave encashment / compensated absences / sick leave -**

The Group provides for the encashment / availment of leave with pay subject to certain rules as per leave policy of the Group. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

e) **Employee stock options :**

Compensation cost on Equity-settled share-based payments to employees are recognised as an expense at the fair value of equity stock option at the grant date. The fair value determined at the grant date of the Equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

f) **Long-Term Incentive Plan:**

The Group pays Long Term Incentives to certain employees on fulfilment of prescribed criteria/conditions. The Group's liability towards Long Term Incentive is determined actuarially based on certain assumptions regarding rate of Interest, staff attrition and mortality as per Projected Unit Credit Method. Expenses towards long term incentive are recognised in the Statement of Profit and Loss.

2.13 Finance costs :

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost - bank term loans, associated liabilities in respect of securitisation transactions, non-convertible debentures, fixed deposits mobilised, commercial papers, subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

Interest expense on lease liabilities computed by applying the Group's weighted average incremental borrowing rate has been included under finance costs.

2.14 Taxation - Current and deferred tax:

Income tax expense comprises of current tax and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

a) **Current tax :**

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Group's current tax is calculated

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using tax rates that have been enacted or substantively enacted by the end of the reporting period. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) **Deferred tax :**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extant that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extant that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities on a net basis or simultaneously.

2.15 Provisions, contingent liabilities and contingent assets:

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made. The disclosure of contingent liability is made when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. The Group also discloses present obligation for which a reliable estimate cannot be made as a contingent liability. Contingent Liabilities are reviewed at each Balance Sheet date.

A contingent asset is disclosed where an inflow of economic benefit is probable.

When some or all economic benefits required to settle a provision are expected to be recovered from third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount can be measured reliably.

2.16 Gross obligation value of written put options to Non-controlling Interest (NCI) :

For the written put options held by the Group for acquiring remaining interest in its subsidiary, gross obligation is recognised by debit to Other Equity for the expected amount payable in case of exercise of the put by the NCI.

2.17 Leases :

Where the Group is the lessee -

As a lessee, the Group's lease asset class primarily consist of buildings or part thereof taken on lease for office premises, certain IT equipments and general purpose office equipments used for operating activities. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. ROU assets and corresponding lease liabilities constitute lease contracts for office premises.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that option to extend will be exercised and option to terminate will not be exercised.

The right-of-use assets are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

Notes forming part of the Consolidated Financial Statements

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The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid at the commencement date, discounted using the Group's incremental average borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

In the Balance Sheet, ROU assets have been included in property, plant and equipment and Lease liabilities have been included in Other financial liabilities and the principal portion of lease payments have been classified as financing cash flows. The Group has used a single discount rate to a portfolio of leases with similar characteristics.

Where the Group is the lessor -

At the inception of the lease, the Group classifies each of its leases as either a finance lease or an operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Group has given certain vehicles on lease where it has substantially retained the risks and rewards of ownership and hence these are classified as operating leases. These assets given on operating lease are included in PPE. Lease income is recognised in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Costs including depreciation are recognized as an expense in the Statement of profit and loss. Initial direct costs are recognised immediately in Statement of profit and loss.

In case of assets under Finance Lease, amount receivable from lessees are recognised at the net investment in the leases measured by using the interest rate implicit in the lease contract. All initial direct cost incurred to put the leased asset for intended use are included in the initial measurement of net investment.

In accordance with Ind AS 116, Leases, the financial information has been presented in the following manner.

a) ROU assets and lease liabilities have been included within the line items "Property, plant and equipment" and "Other financial liabilities" respectively in the Balance sheet;

b) Interest expenses on the lease liability and depreciation charge for the right-to-use asset have been included within the line items "Finance costs" and "Depreciation, amortization and impairment" respectively in the statement of profit or loss;

c) Short-term lease payments and payments for leases of low-value assets, where exemption as permitted under this standard is availed, have been recognized as expense on a straight line basis over the lease term in the statement of profit or loss;

d) Cash payments for the principal and interest of the lease liability have been presented within "financing activities" in the statement of cash flows;

The disclosures as required in accordance with Ind AS 116, Leases, are set out under note no. 42.

2.18 New standards or amendments to the existing standards and other pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As on 31st March 2025, there is no new standard notified or amendment to any of the existing standards under Companies (Indian Accounting Standards) Rules, 2015.

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3 Cash and cash equivalents

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Cash on hand	58.99	65.35
Cheques and drafts on hand	16.28	27.92
Balances with banks in current accounts	340.57	262.89
Term deposits with original maturity up to 3 months	1,412.00	547.38
Interest accrued on Term deposits	2.41	-
Total	**1,830.25**	**903.54**

4 Bank balances other than cash and cash equivalents

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Earmarked balances with banks -		
- Unclaimed dividend accounts	0.66	0.57
Term deposits (with original maturity - more than 3 months)	4.35	9.72
- Free	2,412.54	2,515.12
- Under lien#	1,429.66	477.60
Interest accrued on Term deposits	169.74	168.54
Total	**4,016.95**	**3,171.55**

Details of Term deposits - Under lien

(₹ in crore)

Particulars	As at 31st March 2025		As at 31st March 2024	
	Bank balances other than cash and cash equivalents	Total	Bank balances other than cash and cash equivalents	Total
For Statutory Liquidity Ratio	356.00	356.00	-	-
For securitization transactions	982.78	982.78	444.23	444.23
Legal deposits	8.27	8.27	0.81	0.81
For towards Constituent Subsidiary General Ledger (CSGL) account	30.00	30.00	30.90	30.90
Other collateral deposits	52.61	52.61	1.66	1.66
Total	**1,429.66**	**1,429.66**	**477.60**	**477.60**

5 Derivative financial instruments

(₹ in crore)

Particulars	31st March 2025		31st March 2024	
	Notional amounts	Fair value of Assets	Notional amounts	Fair value of Assets
i) Currency derivatives :				
Forward contracts	1,669.00	5.26		-
Options	827.70	25.69	-	-
Others		-	-	-
Deferred premium on foreign currency loan forward contracts				
Derivative contract receivables		-		-
Exchange gain receivable on forward contract on foreign currency loans		-		-
Others				
Total derivative financial instruments	**2,496.70**	**30.95**	**-**	**-**

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6 Receivables

(₹ in crore)

Particulars		31st March 2025	31st March 2024
Trade receivables			
i)	Secured, considered good:		
	- Lease rental receivable on operating lease transactions	3.15	22.22
	Less : Impairment loss allowance	(0.43)	(5.46)
		2.72	**16.76**
ii)	Unsecured, considered good :		
	- Subvention and other income receivables	243.97	156.59
iii)	Credit impaired:		
	- Trade receivable outstanding	1.26	-
	- Subvention and other income receivables	-	-
		1.26	-
	Less : Impairment loss allowance	**(1.26)**	**-**
		-	**-**
		246.69	**173.35**

There is no due by Directors or other officers of the Company or any firm or private company in which any Director is a partner, a Director or a member.

Trade Receivables aging schedule

As at 31st March 2025

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i) Undisputed Trade receivables -						
- considered good	244.09	0.13	0.48	0.12	-	244.82
- which have significant increase in credit risk	1.31	-	-	-	-	1.31
- credit impaired	0.67	0.40	1.00	0.18	-	2.25
ii) Disputed Trade Receivables -						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Total	**246.07**	**0.53**	**1.48**	**0.30**	**-**	**248.38**

There is neither an instance where due date is not specified nor any unbilled dues.

As at 31st March 2024

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i) Undisputed Trade receivables -						
- considered good	167.39	-	-	-	-	167.39
- which have significant increase in credit risk	10.65	-	-	-	-	10.65
- credit impaired	0.77	-	-	-	-	0.77
ii) Disputed Trade Receivables -						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Total	**178.81**	**-**	**-**	**-**	**-**	**178.81**

There is neither an instance where due date is not specified nor any unbilled dues.

Reconciliation of impairment loss allowance on trade receivables

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Impairment loss allowance as at beginning of the year	(5.46)	(9.99)
Net increase/(decrease) during the year	3.77	4.53
Impairment loss allowance at the end of the year	(1.69)	(5.46)

7 Loans

(₹ in crore)

Particulars		31st March 2025	31st March 2024
A)	**Loans (at amortised cost) :**		
	Retail loans	109,650.30	94,410.63
	Small and Medium Enterprise (SME) financing	4,825.83	3,757.67
	Loans under housing finance business	7,503.09	7,209.08
	Bills of exchange	1,322.71	1,054.74
	Trade Advances	3,199.20	2,879.10
	Finance lease	1,087.23	714.52
	Other loans and advances	0.05	0.08
	Total (Gross)	**127,588.41**	**110,025.82**
	Less : Impairment loss allowance	(4,074.85)	(3,681.86)
	Total (Net)	**123,513.56**	**106,343.96**
B)	i) Secured by tangible assets	121,413.16	104,851.22
	ii) Secured by intangible assets	-	-
	iii) Covered by bank / Government guarantees	11.82	133.36
	iv) Unsecured#	6,163.43	5,041.24
	Total (Gross)	**127,588.41**	**110,025.82**
	Less : Impairment loss allowance	(4,074.85)	(3,681.86)
	Total (Net)	**123,513.56**	**106,343.96**

Notes forming part of the Consolidated Financial Statements

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(₹ in crore)

Particulars	31st March 2025	31st March 2024
C) i) Loans in India		
a) Public Sector	-	-
b) Others	127,154.40	109,784.19
Total (Gross)	**127,154.40**	**109,784.19**
Less : Impairment loss allowance	(4,068.35)	(3,677.37)
Total (Net) - C (i)	**123,086.05**	**106,106.82**
ii) Loans outside India	434.01	241.64
Less : Impairment loss allowance	(6.50)	(4.49)
Total (Net) - C (ii)	**427.51**	**237.15**
Total (Net) - C (i+ii)	**123,513.56**	**106,343.96**

Notes:

- There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.
- Refer note no. 50 for information related to stage-wise classification of loan assets and ECL movement.

Includes loans against Fixed Deposits.

8 Investments

i) Investments accounted using Equity Method

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Equity instruments of associate -		
49% Ownership in Mahindra Finance USA, LLC (Joint venture entity with De Lage Landen Financial Services INC. in United States of America)	897.66	805.91
Equity instruments of joint venture -		
Mahindra Manulife Investment Management Private Ltd.	207.08	212.31
Mahindra Manulife Trustee Private Ltd.	1.45	1.21
Total - Gross (A)	**1,106.19**	**1,019.43**
i) Investments outside India	897.66	805.91
ii) Investments in India	208.53	213.52
Total - Gross	**1,106.19**	**1,019.43**
Less : Allowance for Impairment loss (B)	-	-
Total - Net C (A - B)	**1,106.19**	**1,019.43**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

ii) Other investments

(₹ in crore)

Investments	31st March 2025						31st March 2024					
	Amortized cost	At Fair Value			Others (at cost)	Total	Amortized cost	At Fair Value			Others (at cost)	Total
		Through OCI	Through profit or loss	Sub-total				Through OCI	Through profit or loss	Sub-total		
Units of mutual funds	-	-	352.59	352.59	-	352.59	-	-	237.34	237.34	-	237.34
Government securities	1,209.14	4,253.55	-	4,253.55		5,462.69	1,266.12	4,591.05		4,591.05		5,857.17
Debt securities -						-						
i) Investment in Bonds	25.70	457.80	-	457.80	-	483.50	25.84	453.34	-	453.34	-	479.18
ii) Commercial Papers	-		618.62	618.62	-	618.62	-	-	757.41	757.41	-	757.41
iii) Certificate of deposits with banks	-	-	2,330.40	2,330.40	-	2,330.40	-		967.73	967.73	-	967.73
iv) Investment in Triparty Repo Dealing System (TREPS)	-			-		-	124.98			-	-	124.98
v) Non-Convertible Debentures of Jyoti Structures Limited (Assets acquired in satisfaction of debt)#		-		-		-		1.59		1.59		1.59
Equity instruments of other entities -						-						
i) Equity investment in Smartshift Logistics Solutions Private Limited	-	107.36	-	107.36	-	107.36	-	35.24	-	35.24	-	35.24
ii) Equity Investment in Unquoted shares of CRIB, Sri Lanka		0.01		0.01		0.01		0.01		0.01		0.01
iii) New Democratic Electoral Trust	-	0.02	-	0.02	-	0.02	-	0.02	-	0.02	-	0.02
iv) Equity shares of Jyoti Structures Limited (Assets acquired in satisfaction of debt)	-		0.18	0.18		0.18			0.22	0.22		0.22

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

ii) Other investments (contd.)

(₹ in crore)

Investments	31st March 2025 At Fair Value Amortized cost	31st March 2025 At Fair Value Through OCI	31st March 2025 At Fair Value Through profit or loss	31st March 2025 At Fair Value Sub-total	31st March 2025 Others (at cost)	31st March 2025 Total	31st March 2024 Amortized cost	31st March 2024 At Fair Value Through OCI	31st March 2024 At Fair Value Through profit or loss	31st March 2024 At Fair Value Sub-total	31st March 2024 Others (at cost)	31st March 2024 Total
Others -												
i) Compulsorily Convertible Cumulative Participating Preference Shares (CCCPS) in Smartshift Logistics Solutions Private Limited		19.29	-	19.29	-	19.29	-	7.15	-	7.15	-	7.15
ii) Interest accrued on Government securities	20.97	76.14		76.14		97.11	21.20	77.96	-	77.96	-	99.16
iii) Interest accrued on Bonds	0.06	11.77		11.77		11.83	0.06	11.77	-	11.77	-	11.83
Total - Gross (A)	**1,255.87**	**4,925.94**	**3,301.79**	**8,227.73**	**-**	**9,483.60**	**1,438.20**	**5,178.13**	**1,962.70**	**7,140.83**	**-**	**8,579.03**
i) Investments outside India	36.07	0.01	-	0.01	-	36.08	49.35	0.01	-	0.01	-	49.36
ii) Investments in India	1,219.80	4,925.93	3,301.79	8,227.72	-	9,447.52	1,388.85	5,178.12	1,962.70	7,140.82	-	8,529.67
Total - Gross	**1,255.87**	**4,925.94**	**3,301.79**	**8,227.73**	**-**	**9,483.60**	**1,438.20**	**5,178.13**	**1,962.70**	**7,140.83**	**-**	**8,579.03**
Less : Allowance for Impairment loss (B)	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net C (A - B)	**1,255.87**	**4,925.94**	**3,301.79**	**8,227.73**	**-**	**9,483.60**	**1,438.20**	**5,178.13**	**1,962.70**	**7,140.83**	**-**	**8,579.03**

The investment in Non-Convertible Debentures of Jyoti Structures Limited has been valued at ₹ 1,000.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

9 Other financial assets

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Security Deposits		
Gross	113.41	90.02
Less : Impairment loss allowance	(0.48)	-
Net	**112.93**	**90.02**
Excess Interest Spread on Direct Assignment	1.90	-
Others #		
Gross	148.96	162.28
Less : Impairment loss allowance	(0.95)	(0.72)
Net#	**148.01**	**161.56**
Total	**262.84**	**251.58**

includes receivables related to insurance claims and online payment aggregators.

10 Deferred tax assets (net) and Tax expense

(i) Deferred tax assets (net)

(₹ in crore)

Particulars	Balance as at 1st April 2023	(Charge)/ credit to profit and loss	Acquired in business combination & Translation differences	Charge/ (credit) to OCI	Balance as at 31st March 2024	(Charge)/ credit to profit and loss	Acquired in business combination & Translation differences	Charge/ (credit) to OCI	Balance as at 31st March 2025
Tax effect of items constituting deferred tax liabilities :									
- Share based payments	(4.75)	(1.67)	-	-	(6.42)	(2.51)	-	-	(8.93)
- Application of EIR on financial assets & liabilities	(68.19)	(14.01)	-	-	(82.20)	(14.15)	-	-	(96.35)
- FVTPL financial asset	(4.78)	(0.93)		(0.35)	(6.06)	(1.34)	-	-	(7.40)
- Others#	(126.26)	43.95	0.08	-	(82.23)	10.50	0.04	-	(71.69)
	(203.98)	**27.34**	**0.08**	**(0.35)**	**(176.91)**	**(7.50)**	**0.04**	**-**	**(184.37)**
Tax effect of items constituting deferred tax assets :									
- Provision for employee benefits	33.45	(0.21)	-	2.23	35.47	(0.63)	-	1.87	36.71
- Net gain / (loss) on equity instruments through OCI	-	-	-	-	-	-	-	(21.20)	(21.20)
- Amortization and Interest in respect of lease payments	-	-	-	-	-	1.60		-	1.60
- Derivatives	51.96	(3.05)	-	-	48.91	0.68	-	-	49.59
- Allowance for ECL	634.38	34.97	-	(17.76)	651.59	55.64	-	(24.51)	682.72
- Provision on standard assets	153.53	(16.00)	-	-	137.53	12.78	-	-	150.31
- Other provisions	76.46	27.92	-	0.83	105.21	(7.68)	-	15.66	113.19
	949.78	**43.63**	**-**	**(14.70)**	**978.71**	**62.39**	**-**	**(28.18)**	**1,012.92**
Net deferred tax assets	**745.80**	**70.97**	**0.08**	**(15.05)**	**801.80**	**54.89**	**0.04**	**(28.18)**	**828.55**

includes deferred tax on account of securitization transactions, fair valuation of Govt. securities / bonds and timing differences arising on PPE.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

(ii) Income tax recognized in Statement of profit and loss

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Current tax:		
In respect of current year	820.93	717.73
In respect of prior years	-	(1.63)
	820.93	**716.10**
Deferred tax:		
In respect of current year origination and reversal of temporary differences	(54.89)	(70.97)
Adustments due to changes in tax rates	-	-
Adjustments recognised in the current year in relation to the deferred tax of prior years	-	-
Write down / Reversal of previous write-downs of deferred tax assets	-	-
In respect of prior years	-	-
	(54.89)	**(70.97)**
Total Income tax recognised in Statement of profit and loss	**766.04**	**645.13**

(iii) Income tax recognized in Other Comprehensive Income

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Income tax related to items recognised in Other Comprehensive Income during the year :		
Remeasurement of defined employee benefits	1.87	2.23
Net gain / (loss) on equity instruments through OCI	(21.20)	-
Net fair value gain on investments in debt instruments at FVTOCI	(24.51)	(16.91)
Net fair value gain on investments in equity shares at FVTOCI	-	-
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	15.66	(0.35)
Investee's share of other comprehensive income of equity accounted investments	-	-
Total Income tax recognised in Other Comprehensive Income	**(28.18)**	**(15.03)**

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	(19.33)	2.23
Income taxes related to items that will be reclassified to profit or loss	(8.85)	(17.26)
Total	**(28.18)**	**(15.03)**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

(iv) Reconciliation of estimated Income tax expense at tax rate to income tax expense reported in the Statement of profit and loss is as follows:

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Profit before tax	2,961.68	2,532.07
Applicable income tax rate	25.168%	25.168%
Expected income tax expense	745.40	637.27
Tax effect of adjustments to reconcile expected Income tax expense at tax rate to reported income tax expense:		
Effect of income exempt from tax		
a) Dividend Income	(3.89)	(0.73)
Effect of expenses / provisions not deductible in determining taxable profit		
a) Penalty (case settlement, MSME interest, other penalties)	0.07	0.08
b) Donation and CSR	15.02	6.47
c) Any other item	8.67	5.77
Effect of tax incentives and concessions (research and development and other allowances)		
a) Section 80JJAA	(7.09)	(5.03)
b) Others	(3.41)	(3.22)
Effect of differential tax rate	0.92	0.76
Adjustments recognised in the current year in relation to the current tax of prior years -	(2.91)	(1.63)
Others		
a) Impact of VsV	7.83	-
b) Deferred Tax	0.85	-
c) Interest u/s 234 on Current Tax	0.32	2.62
d) Excess Tax Provision for CY	0.44	0.57
e) Others	3.83	2.20
Reported income tax expense	**766.04**	**645.13**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

11 (a) Property, plant and equipments

(₹ in crore)

Particulars	Land (Freehold)	Buildings#	Building - Leasehold	Computers and Data processing units	Furniture and fixtures	Office equipments	Vehicles	Vehicles under lease	Leasehold Improvement	Plant & Machineries under lease	Sub-Total (a)	Right-Of-Use Assets (Leasehold premises)	Total
GROSS CARRYING AMOUNT													
Balance as at 1st April 2023	0.81	1.32	2.15	167.16	112.78	98.92	141.83	323.82	-	0.19	848.98	632.76	1,481.74
Additions during the year	-	-	1.97	37.93	17.49	16.41	46.24	207.21	9.94	-	337.19	104.04	441.23
Foreign exchange translation differences	-	-	-	0.08	0.44	0.26	0.10	-		-	0.88	0.88	1.76
Disposals / deductions during the year	-	-	-	27.00	8.85	9.86	33.89	70.53		0.06	150.19	56.43	206.62
Balance as at 31st March 2024	**0.81**	**1.32**	**4.12**	**178.17**	**121.86**	**105.73**	**154.28**	**460.50**	**9.94**	**0.13**	**1,036.86**	**681.25**	**1,718.11**
Balance as at 1st April 2024	**0.81**	**1.32**	**4.12**	**178.17**	**121.86**	**105.73**	**154.28**	**460.50**	**9.94**	**0.13**	**1,036.86**	**681.25**	**1,718.11**
Additions during the year	-	-	0.14	21.35	10.26	8.43	40.59	199.97	5.02	-	285.76	110.86	396.62
Foreign exchange translation differences	-	-	-	0.04	0.22	0.14	0.04	-		-	0.44	0.44	0.88
Additions through business combinations	-	-	-	-	-	-	-	-		-	-	-	-
Disposals / deductions during the year##	0.81	-	-	13.03	5.12	5.43	43.25	88.01		0.13	155.78	78.32	234.10
Balance as at 31st March 2025	**-**	**1.32**	**4.26**	**186.53**	**127.22**	**108.87**	**151.66**	**572.46**	**14.96**	**-**	**1,167.28**	**714.23**	**1,881.51**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES													
Balance as at 1st April 2023	-	0.36	1.35	106.71	83.89	74.45	75.73	86.78	-	0.15	429.42	197.22	626.64
Additions during the year	-	0.03	0.92	37.43	9.10	10.90	27.16	75.14	0.67	-	161.35	99.65	261.00
Foreign exchange translation differences	-	-	-	(0.01)	(0.17)	(0.10)	(0.01)	-		-	(0.29)	(0.29)	(0.58)
Disposals / deductions during the year	-	-	-	26.85	8.08	9.53	26.00	30.93		0.05	101.44	50.48	151.92
Balance as at 31st March 2024	**-**	**0.39**	**2.27**	**117.28**	**84.74**	**75.72**	**76.88**	**130.99**	**0.67**	**0.10**	**489.04**	**246.10**	**735.14**
Balance as at 1st April 2024	**-**	**0.39**	**2.27**	**117.28**	**84.74**	**75.72**	**76.88**	**130.99**	**0.67**	**0.10**	**489.04**	**246.10**	**735.14**
Additions during the year	-	0.02	0.27	37.83	8.66	10.59	30.62	86.64	1.62	-	176.25	103.65	279.90
Foreign exchange translation differences	-	-	-	(0.02)	(0.11)	(0.08)	(0.01)	-		-	(0.22)	(0.17)	(0.39)
Disposals / deductions during the year	-	-	-	12.91	4.09	5.10	30.01	38.69	-	0.10	90.90	69.37	160.27
Balance as at 31st March 2025	**-**	**0.41**	**2.54**	**142.18**	**89.20**	**81.13**	**77.48**	**178.94**	**2.29**	**(0.00)**	**574.17**	**280.21**	**854.38**
NET CARRYING AMOUNT													
As at 31st March 2024	**0.81**	**0.93**	**1.85**	**60.89**	**37.12**	**30.01**	**77.40**	**329.51**	**9.27**	**0.03**	**547.82**	**435.15**	**982.97**
As at 31st March 2025	**-**	**0.91**	**1.72**	**44.35**	**38.02**	**27.74**	**74.18**	**393.52**	**12.67**	**0.00**	**593.12**	**434.02**	**1,027.13**

Secured Non-Convertible Debentures(NCDs) have pari passu charge on building situated at Chhatrapati Sambhaji Nagar erstwhile "Aurangabad" having carrying value of ₹0.23 as on 31st March 2025 (31st March 2024: ₹0.23)

During the year the Group has sold freehold land property.

There is no immovable property where title deed of such immovable property is not held in name of the Group or jointly held with others.

The Group has not revalued its Property, Plant and Equipment (including Right-of-Use Assets)

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

11 (b) Capital Work in Progress

As at 31st March 2025

(₹ in crore)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	0.52	-	-	-	0.52
Total	**0.52**	**-**	**-**	**-**	**0.52**

As at 31st March 2024

(₹ in crore)

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	0.15	-	-	-	0.15
Total	**0.15**	**-**	**-**	**-**	**0.15**

12 (a) Intangible Assets Under Development Ageing schedule

As at 31st March 2025

(₹ in crore)

Ageing	Amount for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	65.50	0.14	-	-	65.64
Project temporarily suspended	-	-	-	-	-
Total	**65.50**	**0.14**	**-**	**-**	**65.64**

As at 31st March 2024

(₹ in crore)

Ageing	Amount for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	105.28	0.16	-	-	105.44
Project temporarily suspended	-	-	-	-	-
Total	**105.28**	**0.16**	**-**	**-**	**105.44**

12 (b) Other Intangible assets

(₹ in crore)

Particulars	Computer Software
GROSS CARRYING AMOUNT	
Balance as at 1st April 2023	126.78
Additions during the year	23.34
Foreign exchange translation differences	0.07
Additions through business combinations	-
Deductions during the year	0.82
Balance as at 31st March 2024	**149.37**
Balance as at 1st April 2024	149.37
Additions during the year	196.09
Foreign exchange translation differences	0.07

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

(₹ in crore)

Particulars	Computer Software
Additions through business combinations	-
Deductions during the year	-
Balance as at 31st March 2025	**345.53**
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	
Balance as at 1st April 2023	111.28
Additions during the year	13.85
Foreign exchange translation differences	-
Deductions during the year	0.75
Balance as at 31st March 2024	**124.38**
Balance as at 1st April 2024	124.38
Additions during the year	41.33
Foreign exchange translation differences	0.02
Deductions during the year	0.02
Balance as at 31st March 2025	**165.71**
NET CARRYING AMOUNT	
As at 31st March 2024	**24.99**
As at 31st March 2025	**179.82**

The Group has not revalued its Intangible Assets.

13 Other non-financial assets

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Capital advances	81.90	85.21
Prepaid expenses	106.57	87.40
Balances with Government Authorities	532.29	413.28
Unamortised placement and arrangement fees paid on borrowing instruments	0.05	0.16
Insurance advances	31.93	17.42
Other advances	23.47	21.06
Total	**776.21**	**624.53**

14 Derivative financial instruments

(₹ in crore)

Particulars	31st March 2025		31st March 2024	
	Notional amounts	Fair value of Liabilities	Notional amounts	Fair value of Liabilities
Currency / interest rate derivatives Unhedged:				
Forward contracts	-	-	-	-
Currency swaps/Options	241.06	47.05	709.00	154.30
Total (A)	**241.06**	**47.05**	**709.00**	**154.30**
Currency / interest rate derivatives Hedged:				
Forward contracts	4,303.13	262.76	835.52	177.40
Currency swaps/Options	1,541.16	81.80	827.70	3.57
Total (B)	**5,844.29**	**344.56**	**1,663.22**	**180.97**
Total derivative financial instruments (A+B)	**6,085.35**	**391.61**	**2,372.22**	**335.27**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

Movement in Cash Flow Hedge Reserve

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Balance at the beginning of the year	(7.28)	(4.74)
Recognised on Cash Flow Hedge Reserve	(62.23)	(3.39)
Reclassified to profit or loss	-	-
Income Tax relating to gain/ loss on the OCI	15.66	0.85
Total	**(53.85)**	**(7.28)**

15 Payables

(₹ in crore)

Particulars	31st March 2025	31st March 2024
I) Trade Payables		
i) total outstanding dues of micro enterprises and small enterprises	0.33	0.42
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,440.32	1,678.60
II) Other Payables		
i) total outstanding dues of micro enterprises and small enterprises	2.71	2.80
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17.87	61.71
Total	**1,461.23**	**1,743.53**

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below :

(₹ in crore)

Particulars	31st March 2025	31st March 2024
a) Dues remaining unpaid to any supplier at the year end		
- Principal	203.64	3.23
- Interest on the above	-	-
b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	0.02	2.69
- Interest paid in terms of Section 16 of the MSMED Act	0.00	0.05
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

Trade Payables ageing schedule

As at 31st March 2025

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	2.16	0.05	-	-	2.20
ii) Others	1,412.78	25.37	10.42	11.03	1,459.59
Total	**1,414.94**	**25.41**	**10.42**	**11.03**	**1,461.80**
Disputed dues -					
- MSME	-	-	-	-	-
- Others	-	-	-	0.00	0.00

There is neither an instance where due date is not specified nor there is any unbilled due.

As at 31st March 2024

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	3.22	-	-	-	3.22
ii) Others	1,693.49	23.13	7.95	15.74	1,740.31
Total	**1,696.71**	**23.13**	**7.95**	**15.74**	**1,743.53**
Disputed dues -					
- MSME	-	-	-	-	-
- Others	-	-	-	0.00	0.00

There is neither an instance where due date is not specified nor there is any unbilled due.

16 Debt Securities

(₹ in crore)

Particulars	31st March 2025	31st March 2024
At Amortized cost		
Non-convertible debentures (Secured)	25,239.18	23,284.16
Non-convertible debentures (Unsecured)	2,163.31	2,632.60
Commercial Papers (Unsecured)	2,459.41	5,068.15
Rupee Denominated Secured Bonds overseas (Masala Bonds)	-	-
Total	**29,861.90**	**30,984.91**
Debt securities in India	29,861.90	30,984.91
Debt securities outside India	-	-
Total	**29,861.90**	**30,984.91**

Note: There is no debt security measured at FVTPL or designated at FVTPL.

The Secured Non-convertible debentures are secured by paripassu charges on office premises, PPE, book debts and exclusive charges on receivables under loan contracts to the extent of 100% of outstanding secured debentures.

The rates mentioned above are the applicable rates as at the year end date. These includes floating rate loans which are based on MCLR / T-bill plus spread.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

Details of Non-convertible debentures (Secured) :

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
A) Issued on private placement basis (wholesale)-				
Repayable on maturity :				
Maturing within 1 year	6.25%-9.00%	6,858.50	7.45%-8.95%	4,529.50
Maturing between 1 year to 3 years	6.35%-8.45%	7,159.23	6.25%-9.00%	10,533.50
Maturing between 3 years to 5 years	7.75%-9.18%	6,062.60	7.90%-8.25%	1,039.45
Maturing beyond 5 years	7.45%-8.35%	3,108.90	7.45%-8.48%	5,188.00
Sub-total at face value		**23,189.23**		**21,290.45**
Repayable in Half yearly instalments :				
Maturing within 1 year	6.35%	112.50		
Maturing between 1 year to 3 years	6.35%	56.25	6.35%	56.25
Maturing between 3 years to 5 years		-	6.35%	168.75
Sub-total at face value		**168.75**		**225.00**
Sub-total at face value (A)		**23,357.98**		**21,515.45**
B) Issued on retail public issue -				
Repayable on maturity :				
Maturing within 1 year				
Maturing between 1 year to 3 years	9.20%-9.30%	869.15	9.20%-9.30%	869.15
Maturing between 3 years to 5 years				
Sub-total at face value (B)		**869.15**		**869.15**
Total at face value (A+B)		**24,227.13**		**22,384.60**
Less: Unamortised discounting charges		25.59		33.81
Add: Interest accrued but not due		1,037.64		933.37
Total amortised cost		**25,239.18**		**23,284.16**

Details of Non-convertible debentures (Unsecured) :

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year	8.32%-8.55%	675.00	6.70%-9.02%	800.00
Maturing between 1 year to 3 years	8.32%	375.00	8.32%-8.55%	675.00
Maturing beyond 5 years	8.53%	1,000.00	8.53%	1,000.38
Total at face value		**2,050.00**		**2,475.38**
Less: Unamortised discounting charges		4.65		5.91
Add: Interest accrued but not due		117.96		163.13
Total amortised cost		**2,163.31**		**2,632.60**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

Details of Commercial Papers (Unsecured):

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year	7.75%-8.00%	2,500.00	7.69%-8.30%	5,175.00
Total at face value		**2,500.00**		**5,175.00**
Less: Unamortised discounting charges		40.59		106.85
Add: Interest accrued but not due				-
Total amortised cost		**2,459.41**		**5,068.15**

17 Borrowings (Other than Debt Securities)

(₹ in crore)

Particulars	31st March 2025	31st March 2024
At Amortized cost		
a) Term loans		
i) Secured -		
- from banks	54,837.66	48,647.02
- from banks in foreign currency	110.91	64.54
- External Commercial Borrowings	7,022.09	2,156.61
- Associated liabilities in respect of securitisation transactions	8,744.61	5,614.77
- Triparty repo dealing and settlement (TREPs) against Government securities	999.82	-
- from other parties (National Housing Bank)	-	-
ii) Unsecured -		
- from banks	-	2.47
- from other parties	-	150.82
b) Loans from related parties		
Unsecured -		
- Inter-corporate deposits (ICDs)	-	94.99
c) Loans repayable on demand		
Secured -		
- from banks	29.60	-
- Cash credit facilities with banks	-	-
c) Other loans and advances		
Unsecured -		
- Inter-corporate deposits (ICDs) other than related parties	8.84	187.60
- Loans (other than ICD)	-	25.05
Total	**71,753.53**	**56,943.87**
Borrowings in India	64,620.53	54,697.67
Borrowings outside India	7,133.00	2,246.20
Total	**71,753.53**	**56,943.87**

Note: There is no Borrowing designated at FVTPL

The secured term loans are secured by exclusive charges on receivables under loan contracts and book debts to the extent of 100% of outstanding secured loans

The borrowings have not been guaranteed by Directors or others. Also the Group has not defaulted in repayment of principal and interest.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

Details of term loans from banks (Secured)

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
1) Repayable on maturity :				
Maturing within 1 year	7.60%-9.20%	1,741.00	6.75%-8.95%	2,696.00
Maturing between 1 year to 3 years	7.70%-8.29%	500.00	7.70%-8.30%	480.00
Maturing between 3 years to 5 years		-	8.70%	100.00
Total for repayable on maturity		**2,241.00**		**3,276.00**
2) Repayable in instalments :				
i) Monthly -				
Maturing within 1 year				-
Maturing between 1 year to 3 years				-
Maturing between 3 years to 5 years				-
Sub-Total	-	-	-	**-**
ii) Quarterly -				
Maturing within 1 year	5.70%-9.05%	12,031.06	5.15%-9.01%	7,878.46
Maturing between 1 year to 3 years	5.75%-8.55%	19,296.01	5.70%-9.01%	14,067.62
Maturing between 3 years to 5 years	6.40%-8.80%	4,583.01	5.75%-9.01%	5,061.75
Maturing beyond 5 years				
Sub-Total		**35,910.08**		**27,007.83**
iii) Half yearly -				
Maturing within 1 year	6.72%-9.05%	3,179.76	6.25%-8.80%	3,562.08
Maturing between 1 year to 3 years	7.75%-9.05%	5,236.18	6.97%-8.80%	5,858.56
Maturing between 3 years to 5 years	7.79%-8.60%	1,481.78	7.80%-8.80%	2,588.03
Maturing beyond 5 years	8.00%	50.00	8.00%	111.12
Sub-Total		**9,947.72**		**12,119.79**
iv) Yearly -				
Maturing within 1 year	7.19%-9.00%	2,405.42	7.59%-9.00%	1,906.25
Maturing between 1 year to 3 years	8.30%-9.00%	3,971.39	7.59%-9.00%	3,107.92
Maturing between 3 years to 5 years	9.00%	265.00	8.50%-9.00%	1,145.00
Sub-Total		**6,641.81**		**6,159.17**
Total for repayable in instalments		**52,499.61**		**45,286.79**
Total (1+2) (As per contractual terms)		**54,740.61**		**48,562.79**
Less: Unamortised Finance Cost		0.25		0.48
Add: Interest accrued but not due		97.30		84.71
Total Amortized Cost		**54,837.66**		**48,647.02**

Details of Secured term loans from banks in foreign currency (LKR)

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year	7.76%-10.45%	92.91	10.19%-13.59%	62.30
Maturing between 1 year to 3 years	9.45%-10.50%	17.81	12.59%-13.59%	1.53
Maturing between 3 years to 5 years				
Total		**110.72**		**63.83**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Less: Unamortised Finance Cost		0.08		-
Add: Interest accrued but not due		0.27		0.71
Total Amortised Cost		**110.91**		**64.54**

Details of External Commercial Borrowings (USD & JPY)

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Maturing within 1 year	6.61%-8.11%	1,793.49	6.61%	363.59
Maturing between 1 year to 3 years	7.68%-8.22%	5,134.88	6.61%-8.11%	1,743.99
Total		**6,928.37**		**2,107.58**
Less: Unamortised Finance Cost		27.60		5.53
Add: Interest accrued but not due		121.32		54.56
Total		**7,022.09**		**2,156.61**

Details of associated liabilities related to Securitization transactions

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Maturing within 1 year	4.76%-12.17%	3,473.99	3.70%-7.55%	2,541.52
Maturing between 1 year to 3 years	4.76%-12.17%	4,556.18	3.70%-7.55%	2,656.91
Maturing between 3 years to 5 years	6.50%-8.00%	680.90	4.76%-7.55%	410.67
Maturing beyond 5 years		18.79		-
Total		**8,729.86**		**5,609.10**
Less: Unamortised Finance Cost		0.63		0.27
Add: Interest accrued but not due		15.38		5.94
Total		**8,744.61**		**5,614.77**

Secured by exclusive charge on receivables under loan contracts and book debts to the extent of 100% of outstanding secured loans.

Details of Triparty repo dealing and settlement (TREPs) against Government securities

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Maturing within 1 year		1,000.00		-
Maturing between 1 year to 3 years				
Maturing between 3 years to 5 years				
Maturing beyond 5 years		-		-
Total		**1,000.00**		**-**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Less: Unamortised Finance Cost		-		
Add: Interest accrued but not due		(0.18)		
Total		**999.82**		**-**

Secured by exclusive charge on receivables under loan contracts and book debts to the extent of 100% of outstanding secured loans

Details of Unsecured term loans from banks

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year			9.25%	2.47
Total		**-**		**2.47**
Less: Unamortised Finance Cost		-		-
Add: Interest accrued but not due				0.00
Total Amortised Cost		**-**		**2.47**

Details of Unsecured term loans from others

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year			8.20%	75.00
Maturing between 1 year to 3 years			8.20%	75.00
Total		**-**		**150.00**
Less: Unamortised Finance Cost		-		-
Add: Interest accrued but not due				0.82
Total Amortised Cost		**-**		**150.82**

Details of Loans from related parties & Other Parties (Unsecured) - Inter-corporate deposits (ICDs)

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Inter-corporate deposits (ICDs) (Related Parties)				
Repayable on maturity :				
Maturing within 1 year			6.70%-8.16%	90.00
Maturing between 1 year to 3 years				
Total		**-**		**90.00**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Less: Unamortised Finance Cost		-		-
Add: Interest accrued but not due				4.99
Total Amortised Cost		**-**		**94.99**
Inter-corporate deposits (ICDs) (Other Than Related Parties)				
Repayable on maturity :				
Maturing within 1 year	7.75%	8.50	6.70%-8.16%	185.00
Total		**8.50**		**185.00**
Less: Unamortised Finance Cost		-		-
Add: Interest accrued but not due		0.34		2.60
Total Amortised Cost		**8.84**		**187.60**

Details of Loans repayable on demand (Secured) - with banks

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year	8.75%-9.00%	29.60		-
Total		**29.60**		**-**
Less: Unamortised Finance Cost		-		-
Add: Interest accrued but not due				
Total Amortised Cost		**29.60**		**-**

Details of Unsecured Loans other than Inter-corporate deposits (ICDs) :

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year		-	21.00%-27.21%	25.05
Maturing between 1 year to 3 years		-		-
Total		**-**		**25.05**
Less: Unamortised Finance Cost		-		-
Add: Interest accrued but not due				
Total Amortised Cost		**-**		**25.05**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

18 Deposits

(₹ in crore)

Particulars	31st March 2025	31st March 2024
At amortized cost		
Deposits (Unsecured)		
- Public deposits *	6,839.02	6,035.46
- Accepted from corporates	4,534.95	1,497.73
Total	**11,373.97**	**7,533.19**

Note: There is no other deposit measured at FVTPL or designated at FVTPL.

*There are no amounts that are due and remain unpaid to Investor Education and Protection Fund as at the close of the year. There was no delay in transferring any amount to the Investor Education and Protection Fund by the Parent Company.

Details of Deposits (Unsecured) - Public deposits :

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year	5.75%-23.50%	3,994.99	5.65%-24.00%	2,652.93
Maturing between 1 year to 3 years	5.90%-25.00%	5,877.05	5.75%-18.01%	3,592.21
Maturing beyond 3 years	7.25%-22.00%	1,030.53	5.90%-18.86%	952.05
Total at face value		**10,902.57**		**7,197.19**
Less: Unamortised discounting charges		33.20		22.46
Add: Interest accrued but not due		504.60		358.46
Total Amortised Cost		**11,373.97**		**7,533.19**

19 Subordinated liabilities

(₹ in crore)

Particulars	31st March 2025	31st March 2024
At Amortized cost (Unsecured)		
Subordinated redeemable non-convertible debentures - private placement	3,541.57	2,113.08
Subordinated redeemable non-convertible debentures - retail public issue	2,562.27	2,640.38
Total	**6,103.84**	**4,753.46**
Subordinated liabilities in India	6,103.84	4,753.46
Subordinated liabilities outside India	-	-
Total	**6,103.84**	**4,753.46**

Note: There is no Subordinated liability measured at FVTPL or designated at FVTPL.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

Details of Subordinated liabilities (at Amortised cost) - Unsecured subordinated redeemable non-convertible debentures

(₹ in crore)

From the Balance Sheet date	31st March 2025		31st March 2024	
	Interest rate range	Amount	Interest rate range	Amount
A) Issued on private placement basis -				
Repayable on maturity :				
Maturing within 1 year	8.90%-9.50%	235.00	9.18%-9.60%	225.00
Maturing between 1 year to 3 years	8.40%-9.10%	207.00	8.90%-9.10%	357.00
Maturing between 3 years to 5 years	9.00%-9.40%	135.00	8.40%	120.00
Maturing beyond 5 years	7.90%-8.35%	2,862.90	7.35%-8.35%	1,362.90
Sub-total at face value (A)		**3,439.90**		**2,064.90**
B) Issued on retail public issue -				
Repayable on maturity :				
Maturing within 1 year			7.75%-7.85%	59.32
Maturing between 1 year to 3 years	7.90%-9.00%	1,380.25	8.53%-9.00%	933.01
Maturing between 3 years to 5 years	9.35%-9.50%	336.87	7.90%-9.50%	784.12
Maturing beyond 5 years	7.95%-8.05%	643.96	7.95%-8.05%	643.96
Sub-total at face value (B)		**2,361.08**		**2,420.41**
Total at face value (A+B)		**5,800.98**		**4,485.31**
Less: Unamortised discounting charges		21.02		18.86
Add: Interest accrued but not due		323.88		287.01
Total Amortised Cost		**6,103.84**		**4,753.46**

The respective businesses in the Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

The Group has not been declared as wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

20 Other financial liabilities

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Interest accrued but not due on borrowings	-	-
Unclaimed dividends#	0.66	0.57
Unclaimed matured deposits and interest accrued thereon#	3.82	4.37
Deposits / advances received against loan agreements	45.39	35.51
Insurance premium payable	25.46	18.28
Salary, Bonus and performance payable	30.43	41.12
Provision for expenses	284.35	222.73
Lease liabilities (refer note 42)	503.99	495.13
Others	148.34	60.16
Total	**1,042.44**	**877.87**

There are no amounts due for transfer to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

21 Provisions

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Provision for employee benefits		
- Gratuity (refer note 36)	39.40	21.62
- Leave encashment	93.55	99.33
- Bonus, incentives and performance pay	117.44	132.72
- Post retirement medical benefit	5.24	-
Provision for loan commitment	1.11	1.06
Total	**256.74**	**254.73**

22 Other non-financial liabilities

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Deferred subvention income	6.28	14.37
Statutory dues and taxes payable	194.81	163.67
Others	3.71	7.46
Total	**204.80**	**185.50**

23 Equity Share Capital

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Authorised:		
250,00,00,000 (31st March 2024: 250,00,00,000) Equity shares of ₹2/- each	500.00	500.00
50,00,000 (31st March 2024: 50,00,000) Redeemable preference shares of ₹100/- each	50.00	50.00
Issued, Subscribed and paid-up:		
123,55,29,920 (31st March 2024: 123,55,29,920) Equity shares of ₹2/- each fully paid up	247.11	247.11
Less : 6,68,537 (31st March 2024: 11,43,808) Equity shares of ₹2/- each fully paid up issued to ESOP Trust under Company's ESOP Schemes but not yet allotted to employees pending exercise of stock options.	0.13	0.23
Adjusted Issued, Subscribed and paid-up Share capital	**246.98**	**246.88**

(₹ in crore)

Particulars	31st March 2025		31st March 2024	
	No. of shares	₹ in crore	No. of shares	₹ in crore
a) Reconciliation of number of equity shares and amount outstanding:				
Issued, Subscribed and paid-up:				
Balance at the beginning of the year	1,235,529,920	247.11	1,235,529,920	247.11
Add : Fresh allotment of shares	-	-	-	-
Balance at the end of the year	1,235,529,920	247.11	1,235,529,920	247.11
Less: Shares issued to ESOP Trust but not yet allotted to employees	668,537	0.13	1,143,808	0.23
Adjusted Issued, Subscribed and paid-up Share capital	**1,234,861,383**	**246.98**	**1,234,386,112**	**246.88**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

(₹ in crore)

Particulars		31st March 2025		31st March 2024	
		No. of shares	₹ in crore	No. of shares	₹ in crore
b)	**Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates:**				
	Holding company : Mahindra & Mahindra Limited	644,399,987	128.88	644,399,987	128.88
	Percentage of holding (%)	52.16%		52.16%	
c)	**Shareholders holding more than 5 percent of the aggregate shares:**				
	Mahindra & Mahindra Limited	644,399,987	128.88	644,399,987	128.88
	Percentage of holding (%)	52.16%		52.16%	

d) Terms / rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Other Equity

Description of the nature and purpose of Other Equity (refer Statement of Changes in Equity):

Statutory reserve

Statutory reserve has been created pursuant to section 45-IC of the RBI Act,1934 and section 29C of the National Housing Act, 1987. The reserve fund can be utilised only for limited purposes as specified by RBI and NHB respectively, from time to time and every such utilisation shall be reported to the RBI and NHB respectively, within specified period of time from the date of such utilisation.

Capital redemption reserve (CRR)

Capital redemption reserve represents reserve created pursuant to Section 55 (2) (c) of the Companies Act, 2013 by transfer of an amount equivalent to nominal value of the Preference shares redeemed. The CRR may be utilised by the Company, in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares in accordance with the provisions of the Companies Act, 2013.

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is created through annual transfer of profits at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up capital of the Company for that year, then the total dividend distribution is less than the total distributable profits for that year. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer specified percentage of net profits to General reserve has been withdrawn. However, the amount previously transferred to the General reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

Employee stock options outstanding

The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at grant date fair value on stock options vested but not exercised by employees and unvested stock options in the Statement of profit and loss in respect of equity-settled share options granted to the eligible employees of the Company and its subsidiaries in pursuance of the Employee Stock Option Plan.

Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

Elements of Other Equity with balance:

(₹ in crore)

Particulars	Nature and purpose	31st March 2025	31st March 2024
Statutory reserve	For the parent Company, Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilized only for limited purposes as specified by RBI from time to time and every such utilization shall be reported to the RBI within specified period of time from the date of such utilization. Similarly, it includes transfers made by the housing finance business and the Sri Lanka subsidiary of the Group as per the requirements of National Housing Bank (NHB) and Central Bank of Sri Lanka respectively.	3,650.10	3,180.97
Capital redemption reserve	Capital redemption reserve represents reserve created pursuant to Section 55 (2) (c) of the Companies Act, 2013 by transfer of an amount equivalent to nominal value of the Preference shares redeemed. The CRR may be utilized by the Company, in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares in accordance with the provisions of the Companies Act, 2013.	50.00	50.00
Securities premium	Securities premium is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.	7,195.40	7,186.06
General reserve	General reserve is created through annual transfer of profits at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer specified percentage of net profits to General reserve has been withdrawn. However, the amount previously transferred to the General reserve can be utilized only in accordance with the specific requirements of the Companies Act, 2013.	814.50	814.08
Employee stock options outstanding	The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at grant date fair value on stock options vested but not exercised by employees and unvested stock options in the Statement of profit and loss in respect of equity-settled share options granted to the eligible employees of the Parent Company and its subsidiaries in the group in pursuance of the Employee Stock Option Plan.	26.12	30.45

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

(₹ in crore)

Particulars	Nature and purpose	31st March 2025	31st March 2024
Retained earnings	Retained earnings or accumulated surplus represents total of all profits retained since Group's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend pay-outs, transfers to General reserve or any such other appropriations to specific reserve.	9,372.89	8,364.28
Other comprehensive income			
- Debt instruments through OCI	The Group recognises changes in the fair value of debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the FVOCI debt investments reserve. The Group transfers amounts from this reserve to profit or loss when the debt instruments are derecognised. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.	0.87	(71.99)
- Equity instruments through OCI	The Group has opted to recognise changes in the fair value of certain investments in equity in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Group transfers amounts from this reserve to retained earnings when the relevant equity investments are derecognised.	84.52	21.47
- Effective portion of cash flow hedges	It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.	(53.85)	(7.28)
- Foreign Currency Translation Reserve	In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).	141.93	118.33
Total Other Equity		**21,282.48**	**19,686.37**

Dividend distributions made and proposed

i) Dividend on equity shares declared and paid during the year

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Dividend paid	778.38	741.32
Profit for the relevant year	1,759.62	1,984.32
Dividend as a percentage of profit for the relevant year	44.2%	37.4%

ii) Dividends proposed for approval at the annual general meeting (not recognised as a liability as at respective reporting date)

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Face value per share (₹)	2.00	2.00
Dividend percentage	325%	315%
Dividend per share (₹)	6.50	6.30
Total Dividend on Equity shares (a)	803.09	778.38
Profit after tax for the relevant year (b)	2,345.04	1,759.62
Dividend proposed as a percentage of profit after tax (a/b)	34.2%	44.2%

The dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013, as applicable.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

24 Interest income

(₹ in crore)

	Particulars	31st March 2025	31st March 2024
I)	**On financial instruments measured at Amortised cost** (refer note 2.7)		
	Interest on loans	15,434.13	13,372.43
	Interest on Finance lease	142.74	87.84
	Income from bill discounting	120.62	106.07
	Interest income from investments	249.08	261.64
	Interest on term deposits with banks	318.80	266.11
II)	**On financial instruments measured at fair value through OCI** (refer note 2.11 b)		
	Interest income from investments in debt instruments	301.03	318.24
	Total	**16,566.40**	**14,412.33**

Note: There is no loan asset measured at FVTPL.

25 Fees, charges and commission income

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Fees / charges on loan transactions	296.90	165.13
Income from commission services - life insurance	149.94	-
Income from commission services - general insurance	61.31	-
Commission / brokerage received from mutual fund distribution/other debt products	6.77	7.17
Collection fees related to transferred assets under securitisation transactions	12.95	12.02
Total	**527.87**	**184.32**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss.

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Type of services or service		
Fees and commission income	527.87	-
Total revenue from contract with customers	**-**	**-**
Geographical markets	**-**	**-**
India	-	-
Outside India	-	-
Total revenue from contract with customers	**-**	**-**
Timing of revenue recognition	**-**	**-**
Services transferred at a point in time	-	-
Services transferred over time	-	-
Total revenue from contract with customers	**-**	**-**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

Contract balances

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Fees, commission and other receivables	246.69	173.35
Total	**246.69**	**173.35**

- Impairment loss allowance recognised on contract balances is ₹ Nil (Previous year ₹ Nil)
- Contract asset as on 31st March 2025 is ₹ Nil (Previous year ₹ Nil)

26 Net gain / (loss) on fair value changes

(₹ in crore)

Particulars	31st March 2025	31st March 2024
A) Net gain / (loss) on financial instruments at FVTPL		
i) On trading portfolio		
- Investments	(0.42)	2.39
ii) On financial instruments designated at FVTPL	13.93	20.63
B) Others - Mutual fund units	8.46	4.06
C) Total Net gain / (loss) on financial instruments at FVTPL	**21.97**	**27.08**
Fair value changes :		
- Realised	1.31	-
- Unrealised	20.66	27.08
D) Total Net gain / (loss) on financial instruments at FVTPL	**21.97**	**27.08**

Note: Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

27 Sale of services

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Income from insurance broking business services	1,191.51	1,057.66
Total	**1,191.51**	**1,057.66**

28 Other income

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Net gain on derecognition of property, plant and equipment	4.32	6.97
Net gain on sale of investments measured at amortised cost	(0.34)	1.09
Income from shared services	56.09	164.75
Others	7.29	0.66
Total	**67.36**	**173.47**

Notes forming part of the Consolidated Financial Statements

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29 Finance costs

(₹ in crore)

Particulars	31st March 2025	31st March 2024
On financial liabilities measured at Amortised cost		
Interest on deposits	747.51	490.27
Interest on borrowings	4,674.27	3,629.54
Interest on debt securities	2,630.68	2,438.83
Interest on subordinated liabilities	414.50	336.94
Net gain / (loss) in fair value of derivative financial instruments	(107.25)	9.47
Interest expense on lease liabilities (refer note 42)	39.99	36.08
Other borrowing costs	15.73	18.07
Total	**8,415.43**	**6,959.20**

Note: There is no financial liability measured at FVTPL.

30 Impairment on financial instruments

(₹ in crore)

Particulars	31st March 2025	31st March 2024
On financial instruments measured at Amortised cost		
Bad debts and write offs	1,690.40	1,931.30
Loans	393.02	32.71
Investments	-	(0.98)
Loan commitment	0.05	(2.74)
Trade receivables and other contracts	1.89	(4.54)
Total	**2,085.36**	**1,955.75**

Note: There is no financial instrument measured at FVOCI.

31 Employee benefits expenses

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Salaries and wages	2,171.13	2,085.69
Contribution to provident funds and other funds	141.18	126.98
Share based payments to employees	6.60	6.56
Staff welfare expenses	36.03	42.21
Total	**2,354.94**	**2,261.44**

32 Depreciation, amortization and impairment

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Depreciation on Property, Plant and Equipment (refer note 11)	176.25	161.35
Amortization and impairment of intangible assets (refer note 12)	41.31	13.85
Depreciation on Right of Use Asset (refer note 11 and 42)	103.65	99.65
Total	**321.21**	**274.85**

Notes forming part of the Consolidated Financial Statements

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33 Other expenses

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Rent	15.97	17.10
Rates and taxes, excluding taxes on income	16.43	14.96
Electricity charges	21.80	21.99
Repairs and maintenance	13.74	14.96
Communication Costs	56.78	59.46
Printing and Stationery	15.41	16.28
Advertisement and publicity	27.59	41.41
Directors' fees, allowances and expenses	5.14	4.79
Auditor's fees and expenses -		
- Audit fees	2.20	1.85
- Taxation matters	-	-
- Other services	0.74	0.68
- Reimbursement of expenses	0.08	0.04
Legal and professional charges	193.94	190.95
Insurance	75.84	75.77
Manpower outsourcing cost	222.49	147.93
Donations	25.02	4.89
Corporate Social Responsibility (CSR) expenses	34.61	26.83
Conveyance and travel expenses	187.18	200.87
Other expenses	431.65	278.41
Total	**1,346.61**	**1,119.17**

34 Earning Per Share (EPS)

Basic EPS is calculated in accordance with Ind AS 33 'Earnings Per Share' by dividing the net profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Profit for the year (₹ in crore)	2,261.87	1,932.69
Weighted average number of Equity Shares used in computing basic EPS	1,234,629,576	1,233,932,506
Effect of potential dilutive Equity Shares on account of unexercised employee stock options	416,316	647,658
Weighted average number of Equity Shares used in computing diluted EPS	1,235,045,892	1,234,580,164
Basic Earnings per share (₹) (Face value of ₹ 2/- per share)	18.32	15.66
Diluted Earnings per share (₹)	18.31	15.65

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

35a Employee Stock Option Plan (ESOP) of the Parent Entity

The Company had allotted 48,45,025 Equity shares (face value of ₹2/- each) (adjusted for stock-split in the ratio of 5:1 in February 2013) under Employee Stock Option Scheme 2010 at par on 3rd February 2011 to Mahindra and Mahindra Financial Services Limited Employees' Stock Option Trust ("the Trust") set up by the Company. The Trust holds these shares for the benefit of employees and allots equity shares to eligible employees on exercise of stock options as per the terms and conditions of ESOP scheme granted as per the recommendation of the Compensation Committee.

Pursuant to the Rights issue of one equity share for every equity share held as on record date, at an issue price of ₹50 per Equity Share (including a premium of ₹ 48 per Equity Share), made by the Company, 20,63,662 equity shares have been allotted to the Trust in respect of its rights entitlement on 17th August 2020. All the option holders (beneficiaries) under existing grants have automatically became entitled to additional options at ₹50/- per option as rights adjustment and accordingly, the number of outstanding options stand augmented in the same ratio as the rights issue. All the terms and conditions applicable to these additional options issued under rights issue have remained same as original grant.

Upon exercise of stock options, including additional options issued as per Rights issue, under the scheme by eligible employees, the Trust had issued 70,25,425 equity shares to employees up to 31st March 2025 (31st March 2024: 65,50,154 equity shares), of which 4,75,271 equity shares (31st March 2024: 7,87,641 equity shares) were issued during the current year. This has resulted in an increase in equity share capital by ₹ 0.10 crore for the year ended 31st March 2025 (31st March 2024 : ₹ 0.16 crore).

a) The terms and conditions of the Employees Stock Option Plans

i) Employees Stock Option Scheme 2010

Particulars	Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOP Trust
Contractual life	3 years from the date of each vesting
Number of vested options exercisable	Minimum of 50 or number of options vested whichever is lower
Method of settlement	By issue of shares at exercise price
Vesting conditions	In 5 equal tranches @ 20% each on expiry of 12, 24, 36, 48 and 60 months from the date of grant

ii) MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED - RESTRICTED STOCK UNITS PLAN 2023 ("MMFSL RSU PLAN 2023")

Newly formulated employee stock option plan, namely, Mahindra and Mahindra Financial Services Limited - Restricted Stock Units Plan 2023 ("MMFSL RSU PLAN 2023") in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, and the same was approved by the Board of Directors in their meeting held on 28th April 2023.

Particulars	Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOP Trust
Contractual life	5 years from the date of each vesting
Vesting terms & conditions	RSUs granted under the MMFSL RSU Plan 2023 shall vest not earlier than minimum Vesting Period of 1 (One) year and not later than the maximum Vesting Period of 7 (Seven) years from the date of Grant of such RSUs,
	The vesting of RSUs would be based on achievement of performance parameters. The Committee would lay down the parameters for vesting of RSUs which would include one or more of the Company performance parameters such as: a) Asset Quality b) Assets Under Management (AUM) Growth c) Cost control

Notes forming part of the Consolidated Financial Statements

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Particulars	Terms and conditions
	d) Profit growth
	e) Return on Assets (ROA)
	f) Digital maturity: use of technology and data
	g) Environmental, Social & Governance (ESG) performance
Vesting Schedule	In 3 or 5 equal tranches on expiry of 12, 24 and 36 months (i.e. 33.33% each) or on expiry of 12, 24,36,48, 60 months (i.e. 20% each), up to a maximum of 7 years from the grant date
Number of vested options exercisable	Minimum of 50 or number of options vested whichever is lower
Method of settlement	By issue of shares at exercise price

b) Options granted during the year:

i) Employee Stock Option Scheme 2010

After formulation of new scheme - MMFSL RSU PLAN 2023, no further stock options can be granted under the old scheme - Employees' Stock Option Scheme 2010. However, live options already vested can be exercised within the validity period as per the terms and conditions of the scheme.

Following are the stock option grants under this scheme which were live during the year with remaining validity period for exercise of vested options.

Particulars	Grant dated 5th January 2017	Grant dated 24th January 2018	Grant dated 24th October 2018
Exercise price (₹)	2.00	2.00	2.00
Fair value of option (₹)	337.36	495.92	355.34

ii) MMFSL RSU PLAN 2023

During the year ended 31st March 2025, the Company has granted 6,49,326 stock options (31st March 2024 : 2,83,171) to eligible employees under the newly formulated employee stock option plan, namely, MMFSL RSU PLAN 2023, in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, which was approved by the Board of Directors in their meeting held on 28th April 2023.

Following are the grants which are liver under MMFSL RSU PLAN 2023.

Particulars	Grant dated 21st October 2024	Grant dated 23rd April 2024	Grant dated 26th October 2023
Exercise price (₹)	2.00	2.00	2.00
Fair value of option (₹)	262.53	246.47	246.47

The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

	Year ended 31st March 2025		Year ended 31st March 2024
	Grant dated 21st October 2024	Grant dated 23rd April 2024	Grant dated 26th October 2023
Variables#			
1) Risk free interest rate	6.64%	7.08%	7.29%
2) Expected life	4.50 years	5.50 years	4.51 years
3) Expected volatility	42.83%	44.27%	45.98%
4) Dividend yield	2.16%	2.15%	2.19%
5) Price of the underlying share in the market at the time of option grant (₹)	291.00	278.85	273.60

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

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c) i) Summary of stock options - Employee Stock Option Scheme 2010 :

(₹ in crore)

Particulars	As at 31st March 2025		As at 31st March 2024	
	No. of stock options	Weighted average exercise price (₹)#	No. of stock options	Weighted average exercise price (₹)#
Options outstanding at the beginning of the year	612,763	26.97	1,434,983	26.91
Options granted during the year	-	-	-	-
Options expired/forfeited during the year	11,350	27.45	12,392	26.00
Options cancelled/lapsed during the year	-	-	22,187	35.33
Options exercised during the year	444,786	27.09	787,641	26.63
Options outstanding at the end of the year	156,627	26.58	612,763	26.97
Options vested but not exercised at the end of the year	156,627	26.58	612,763	26.97

Adjusted for additional options issued in the ratio of one equity share for every one equity share held under Rights issue made by the Company during August 2020. The options issued under ESOP scheme 2010 are exercisable at ₹2/- per option and adjustment options issued under Rights issue are exercisable at ₹50/- each, including premium of ₹ 48/- per option (being the issue price under Rights allotment).

ii) Summary of stock options - MMFSL RSU PLAN 2023:

(₹ in crore)

Particulars	As at 31st March 2025		As at 31st March 2024	
	No. of stock options	Weighted average exercise price (₹)#	No. of stock options	Weighted average exercise price (₹)#
Options outstanding at the beginning of the year	283,171	2.00	-	-
Options granted during the year	649,326	2.00	283,171	2.00
Options expired/forfeited during the year	8,804	2.00	-	-
Options cancelled/lapsed during the year #	85,674	2.00	-	-
Options exercised during the year	30,485	2.00	-	-
Options outstanding at the end of the year	807,534	2.00	283,171	2.00
Options vested but not exercised at the end of the year	36,216	2.00	-	-

includes 9,194 options cancelled / lapsed on account of true-down effect applied on the specific tranche of the grant covering all the beneficiaries due to non-achievement of specified perfomance parameters at the Company level for the year ened 31st March 2024 as per the terms and conditions of the MMFSL RSU PLAN 2023.

True-down of options:

The vesting of options under each tranche of individual grants under MMFSL RSU PLAN 2023 is subject to achievement of specified perfomance parameters at the Company level and at the individual level for the relevant financial year as approved by the Nomination and Remuneration Committee (NRC) of the Board of Directors. If actual performance in a relevant financial year against the specified parameters is lower than the defined thresholds, the granted options under a particular tranche would vest in proportion to the level of actual performance (true-down effect) and that proportion of options attibutable to lower performace would be cancelled / lapsed with corresponding write-back of compensation expense already recognized in the statement of profit and loss.

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d) Information in respect of options outstanding :

(₹ in crore)

Exercise price	As at 31st March 2025		As at 31st March 2024	
	No. of stock options	Weighted average remaining life	No. of stock options	Weighted average remaining life
Employee Stock Option Scheme 2010 -				
- At ₹2.00 per option	76,411	14 months	294,002	24 months
- At ₹50.00 per option	80,216	14 months	318,761	23 months
MMFSL RSU PLAN 2023 -				
- At ₹2.00 per option	807,534	79 months	283,171	80 months
	964,161		**895,934**	

e) Average share price at recognized stock exchange on the date of exercise of the option is as under:

Year ended 31st March 2025		Year ended 31st March 2024	
Date of exercise	Weighted average share price (₹)	Date of exercise	Weighted average share price (₹)
01st April 2024 to 31st March 2025	286.73	01st April 2023 to 31st March 2024	275.35

f) Determination of expected volatility

The measure of volatility used in the Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.

The determination of expected volatility is based on historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the option being valued. The period considered for volatility is adequate to represent a consistent trend in the price movements and the movements due to abnormal events are evened out.

Accordingly, since each vest has been considered as a separate grant, the model considers the volatility for periods, corresponding to the expected lives of different vests, prior to the grant date. Volatility has been calculated based on the daily closing market price of the Company's stock price on NSE over these years. Similar approach was followed in determination of expected volatility based on historical volatility for all the grants under the scheme.

In respect of stock options granted under Employee Stock Option Scheme 2010 and MMFSL RSU PLAN 2023, the accounting is done as per the requirements of Ind AS 102 - Share-based payment. Consequently, ₹7.25 crore (31st March 2024: ₹4.49 crore) has been included under 'Employee Benefits Expense' as 'Share-based payment to employees' based on respective grant date fair value, after adjusting for reversals on account of options forfeited. The amount includes cost reimbursements (net of recoveries of ₹ 0.21 crore) to the holding company of ₹1.68 crore (31st March 2024: ₹ 1.69 crore) in respect of options granted to employees of the Company and excludes net recovery of ₹0.09 crore (31st March 2024: ₹0.01 crore) from its subsidiaries for options granted to their employees.

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35b Employee Stock Option Scheme of the Housing finance subsidiary:

The Housing finance Company has used fair value method to account for the compensation cost of stock options. Fair value of options is based on the valuation of the independent valuer using the Black -Scholes model.

Description of ESOP Scheme:

Particulars	ESOP
Vesting requirements	Stock Options due for vesting on each vesting date shall vest on the basis of time i.e. mere continuance of employment as on relevant date of vesting.
Vesting Conditions	25% on expiry of 12 months from the date of grant
	25% on expiry of 24 months from the date of grant
	25% on expiry of 36 months from the date of grant
	25% on expiry of 48 months from the date of grant
Method of Settlement	Equity settled

Number and weighted average exercise price of options

(₹ in crore)

Sr. No	Particulars	As at 31st March 2025		As at 31st March 2024	
		No. of stock options	Weighted average Exercise Price	No. of stock options	Weighted average Exercise Price
1	Outstanding at the beginning of the year	1,051,108	26.05	1,657,128	31.33
2	Granted during the year	-	-	-	-
3	Forfeited / Lapsed during the year	437,405	46.33	412,757	48.82
4	Exercised during the year	128,905	17.61	193,263	22.72
5	Outstanding at the end of the year	484,798	10.00	1,051,108	26.05
6	Exercisable at the end of the year	317,386	10.00	599,659	38.14

Range of exercise price and weighted average remaining contractual life of outstanding options:

(₹ in crore)

Grant date	As at 31st March 2025			As at 31st March 2024		
	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price (₹)	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price (₹)
07-Oct-17	-	0.00	67.00	235,143	0.52	67.00
08-Dec-17	-	0.00	67.00	42,853	0.69	67.00
16-Jan-18	-	0.00	67.00	18,000	0.79	67.00
16-Oct-19	19,051	1.21	10.00	35,854	1.93	10.00
18-Jan-21	22,500	2.18	10.00	37,912	2.83	10.00
21-Oct-21	397,769	2.42	10.00	606,802	3.36	10.00
19-Oct-22	45,478	3.05	10.00	74,544	4.14	10.00

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36 Employee benefits

General description of defined benefit plans

Gratuity

Most of the entities operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. Most of the entities makes annual contribution to the gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Post retirement medical

The Parent Company provides for post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility -

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Change in bond yields -

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Variability in withdrawal rates -

If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Regulatory Risk -

Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). There is a risk of change in the regulations requiring higher gratuity payments (e.g. raising the present ceiling of ₹ 20,00,000, raising accrual rate from 15/26 etc.).

Inflation risk -

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement medical benefit obligation is sensitive to medical inflation and accordingly, an increase in medical inflation rate would increase the plan's liability.

Life expectancy -

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Details of defined benefit plans as per actuarial valuation are as follows:

(₹ in crore)

Particulars	Funded Plan		Unfunded Plan	
	Gratuity		Post retirement medical	
	Year ended 31st March		Year ended 31st March	
	2025	2024	2025	2024
I. Amounts recognised in the Statement of Profit & Loss				
Current service cost	20.81	18.62	-	-
Net Interest cost	2.00	1.89	-	-
Past service cost	-	-	5.24	-
Interest Income	-	(6.94)	-	-
Adjustment due to change in opening balance of Plan assets	-	(8.55)	-	-
Total expenses included in employee benefits expense	**22.82**	**5.02**	**5.24**	**-**
II. Amount recognised in Other Comprehensive income				
Remeasurement (gains)/losses:				
a) Actuarial (gains)/losses arising from changes in -				
- demographic assumptions	0.33	(0.05)	-	-
- financial assumptions	(3.39)	(6.28)	-	-
- experience adjustments	(14.02)	1.84	-	-
b) Return on plan assets, excluding amount included in net interest expense/ (income)	4.41	(7.34)	-	-
Total amount recognised in other comprehensive income	**(12.67)**	**(11.82)**	**-**	**-**
III. Changes in the defined benefit obligation				
Opening defined benefit obligation	173.93	150.27	-	-
Add/(less) on account of currency fluctuation	0.06	0.08	-	-
Current service cost	20.81	18.62	-	-
Past service cost	-	-	5.24	-
Interest expense	12.60	11.39	-	-
Remeasurement (gains)/losses arising from changes in -	-	-	-	-
- demographic assumptions	(1.51)	(0.08)	-	-
- financial assumptions	3.81	3.10	-	-
- experience adjustments	8.65	(3.00)	-	-
Benefits paid	(39.01)	(6.45)	-	-
Closing defined benefit obligation	**179.35**	**173.93**	**5.24**	**-**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

(₹ in crore)

Particulars	Funded Plan		Unfunded Plan	
	Gratuity		Post retirement medical	
	Year ended 31st March		Year ended 31st March	
	2025	2024	2025	2024
IV. Change in the fair value of plan assets during the year				
Opening Fair value of plan assets	152.32	117.82	-	-
Interest income	10.59	15.35	-	-
Expected return on plan assets	4.22	(7.34)	-	-
Contributions by employer	11.67	24.77	-	-
Adjustment due to change in opening balance of Plan assets	-	8.55	-	-
Actual Return on plan assets in excess of the expected return	(0.37)	(0.38)	-	-
Actual Benefits paid	(38.48)	(6.45)	-	-
Closing Fair value of plan assets	**139.95**	**152.32**	**-**	**-**
V. Net defined benefit obligation				
Defined benefit obligation	(179.35)	173.93	(5.24)	-
Fair value of plan assets	139.95	152.31	-	-
Surplus/(Deficit)	(39.40)	(21.62)	(5.24)	-
Current portion of the above	(39.40)	(7.52)	(0.09)	-
Non current portion of the above	-	(14.10)	(5.15)	-
VI. Expected contribution for the next reporting year	31.65	27.71	-	-

Actuarial assumptions and Sensitivity

(₹ in crore)

Particulars	Funded Plan		Unfunded Plan	
	Gratuity		Post retirement medical benefits	
	31st March 2025	31st March 2024	31st March 2025	31st March 2024
I. Actuarial assumptions				
Discount Rate (p.a.)	6.54%	7.50%	6.82%	-
Attrition rate	34.13 for age up to 30, 20.06 for age 31-50, 9.70 for 51 and above	27.00 for age up to 30, 15.00 for age 31-44, 5.00 for 45 and above	34.08 for age up to 30, 22.10 for age 31-50, 12.24 for 51 and above	-
Expected rate of return on plan assets (p.a.)	6.54%	7.50%	NA	
Rate of Salary increase (p.a.)	7.00%	7.00%	0.00%	-
Medical cost inflation (p.a.)	NA	NA	7.00%	-
Retirement Age	60 years	60 years	60 years	-
In-service Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate	-

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

(₹ in crore)

Particulars	Funded Plan		Unfunded Plan	
	Gratuity		Post retirement medical benefits	
	31st March 2025	31st March 2024	31st March 2025	31st March 2024
II. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as follows:				
One percentage point increase in discount rate	(5.77)	(10.89)	(0.67)	-
One percentage point decrease in discount rate	6.25	11.98	0.80	-
One percentage point increase in Salary growth rate	6.16	11.97	0.01	-
One percentage point decrease in Salary growth rate	(5.80)	(10.84)	(0.01)	-
One percentage point increase in attrition rate	(0.36)	-	(0.42)	-
One percentage point decrease in attrition rate	0.38	-	0.47	-
One percentage point increase in medical inflation rate	-	-	0.78	-
One percentage point decrease in medical inflation rate	-	-	(0.66)	-
III. Maturity profile of defined benefit obligation				
Within 1 year	41.95	33.27	0.05	-
Between 1 and 5 years	97.22	149.53	0.71	-
Between 6 and 10 years	56.14		1.32	-
11 years and above	35.72	-	13.71	-

The estimate of future salary increases, considered in actuarial valuation, considers inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plan assets have been primarily invested in government securities and corporate bonds.

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

The contribution to provident fund, superannuation fund and national pension scheme at Group level aggregating to ₹105.90 crore (31st March 2024: ₹ 105.90 crore) has been recognized in the Statement of profit and loss under the head " Employee benefits expense".

Notes forming part of the Consolidated Financial Statements
for the year ended 31st March 2025

Compensated Absences

The principal assumptions used in determining obligations for the Company are shown below:

Particulars	Year ended March 31	
	2025	2024
Rate of discounting	6.54%	7.22%
Expected rate of salary increase	7.00%	7.00%
Attrition rate	31.08 for age up to 30, 22.10 for age 31-50, 12.24 for 51 and above	23.00 for age up to 30, 16.00 for age 31-44, 8.00 for 45 and above
Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Ultimate
Expenses recognised in statement of profit and loss	11.27	12.68

The Group has not funded its compensated absences liability and the same continues to remain as unfunded as at 31st March 2025.

The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated term of the obligation.

Long Term Incentive Scheme

In the parent company, the Long-Term Incentive Plan is annually granted along with the performance cycle at the end of the financial year and determined on the individual performance rating criteria, awarded LTIP will vest equally in 3 years. This incentive scheme is launched in current financial year.

Actuarial assumptions and Sensitivity

Particulars	Year ended March 31	
	2025	2024
Retirement Age	60 Years	-
Discount Rate	6.54%	-
Attrition Rate	8.00%	-
Performance Measurement	Higher employee rating	-

Reconciliation of the Liability recognised in the Balance Sheet:

Particulars	Year ended March 31	
	2025	2024
Opening Net Liability	-	-
Expense recognised in the P&L	1.39	-
Contribution/Benefit Paid by the Company	-	-
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	1.39	-

The parent company has not funded its long term incentive plan liability and the same continues to remain as unfunded as at 31st March 2025.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated term of the obligation.

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37 Additional disclosures

i) During the financial years ended 31st March 2025 and 31st March 2024, the Group has not granted any loans or advances in the nature of loans to promoters, Directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person (a) repayable on demand or (b) without specifying any terms or period of repayment.

ii) There is no Benami Property held by the Parent and its indian subsidiaries and there is no proceedings initiated or pending against the Parent and its indian subsidiaries for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

iii) Disclosure of transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956

As at 31st March 2025

	Name of Struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31st March 2025 (₹ in crore)	Relationship with the Struck off company, if any, to be disclosed
1	SHIRIDI SRISAI SOLUTIONS PVT LIMITED	Receivables	0.18	External
2	CONSOLE CARGO LOGISTICS SERVICES (I) PRIVATE LIMITED	Receivables	0.04	External
3	SAMBODHI TECH SOLUTIONS PRIVATE LIMITED	Receivables	0.05	External
4	BALAJI INFRASTRUCTURE T&D PRIVATE LIMITED	Receivables	0.76	External
5	VH SQUARE HEALTHCARE PVT LTD	Receivables	0.06	External
6	PALLAVI INFRA HOLDING PRIVATE LIMITED	Receivables	0.07	External
7	PROBUS INFRATECH PRIVATE LIMITED	Receivables	0.06	External
8	MILLPOND HUMAN RESOURCE PRIVATE LIMITED	Receivables	-	External
9	SATHESRI AGRO PRODUCTS PRIVATE LIMITED	Receivables	-	External
10	ASVRJ LOGISTIC PRIVATE LIMITED	Receivables	-	External
11	PUNEETH TECHNO PROJECTS (OPC) PRIVATE LIMITED	Receivables	-	External
12	4 SQUARE FITNESS PRIVATE LIMITED	Receivables	-	External
13	COCOWINGS ENTERPRISES PRIVATE LIMITED	Receivables	-	External
14	ZAFCON ENGINEERING PRIVATE LIMITED	Receivables	-	External
15	RETONA MOTORS PRIVATE LIMITED	Receivables	0.09	External
16	CHOWDHARY MOTORS PRIVATE LIMITED	Payables	0.05	External
17	APARNA AUTOMOBILES PRIVATE LIMITED	Payables	0.01	External
18	LIANCE CONSULTANT&ENGINEERS PRIVATELIMITED	Payables	-	External
19	GOMATESHWAR INVESTMENTS PVT LTD	Corporate Depositor	0.02	External
20	VMS CONSULTANTS PVT. LTD.	Corporate Depositor	0.70	External
21	DREAMS BROKING PRIVATE LIMITED	Shares Held by Struck of Company	476*	External
22	UNICKON FINCAP PRIVATE LIMITED	Shares Held by Struck of Company	689*	External

* Number of Equity Shares

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

As at 31st March 2024

	Name of Struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31st March 2024 (₹ in crore)	Relationship with the Struck off company, if any, to be disclosed
1	ASVRJ LOGISTIC PRIVATE LIMITED	Receivables	0.00	External
2	MANSAROVAR INDIA AQUA BEVERAGES PRIVATE LIMITED	Receivables	-	External
3	SHIRIDI SRISAI SOLUTIONS PRIVATE LIMITED	Receivables	0.23	External
4	SAMEODHI TECH SOLUTIONS PRIVATE LIMITED	Receivables	0.09	External
5	MILLPOND HUMAN RESOURCE PRIVATE LIMITED	Receivables	0.05	External
6	SATHESRI AGRO PRODUCTS PRIVATE LIMITED	Receivables	0.04	External
7	CONSOLE CARGO LOGISTICS SERVICES (I)PRIVATE LIMITED	Receivables	0.06	External
8	PROBUS INFRATECH PRIVATE LIMITED	Receivables	0.06	External
9	PARVATHI LIFE SCIENCES (OPC) PRIVATE LIMITED	Receivables	-	External
10	MRA REFINO PRIVATE LIMITED	Receivables	-	External
11	PUNEETH TECHNO PROJECTS (OPC) PRIVATE LIMITED	Receivables	0.01	External
12	4 SQUARE FITNESS PRIVATE LIMITED	Receivables	0.01	External
13	COCOWINGS ENTERPRISES PRIVATE LIMITED	Receivables	0.01	External
14	KIRAN ENVIRO-TECH ENERGY PRIVATE LIMITED	Receivables	-	External
15	PALLAVI INFRA HOLDING PRIVATE LIMITED	Receivables	0.09	External
16	VH SQUARE HEALTHCARE PRIVATE LIMITED	Receivables	0.07	External
17	BALAJI INFRASTRUCTURE PRIVATE LIMITED	Receivables	0.76	External
18	AUTO WORLD PRIVATE LIMITED	Receivables	-	External
19	ZAFCON ENGINEERING PRIVATE LIMITED	Receivables	0.01	External
20	LIANCE CONSULTANT&ENGINEERS PRIVATELIMITED	Receivables	0.00	External
21	FAIRDEAL MOTORS AND WORKSHOP PVT. LTD.	Payables	-	External
22	GOMATESHWAR INVESTMENTS PVT LTD	Corporate Depositor	0.02	External
23	SAFNA CONSULTANCY PRIVATE LIMITED	NCD	0.00	External
24	DREAMS BROKING PRIVATE LIMITED	Shares held by stuck off Company	476*	External
25	UNICKON FINCAP PRIVATE LIMITED	Shares held by stuck off Company	689*	External

* Number of Equity Shares

iv) There is no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.

v) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

vi) **Utilisation of Borrowed funds and share premium:**

A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall -

Notes forming part of the Consolidated Financial Statements

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(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

B) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall -

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

viii) There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

38 Analytical Ratios

Particulars	As at 31st March 2025			As at 31st March 2024	% Variance	Reasons for variance (if above 25%)
	Numerator (₹ in crore)	Denominator (₹ In crore)	Ratio	Ratio		
Total Capital ratio (CRAR)	21,437.51	116,967.79	18.33%	18.87%	-2.86%	NA
Tier - I capital ratio	17,835.12	116,967.79	15.25%	16.39%	-6.99%	NA
Tier - II capital ratio	3,602.40	116,967.79	3.08%	2.47%	24.49%	During the current year, the Company has raised Tier II capital of ₹ 1,500 crore
Liquidity Coverage Ratio	NA	NA	277%	311%	-10.93%	NA

39 Transactions in the nature of change in ownership in other entities

During the previous year, the Parent Company has completed the acquisition of 20,61,856 Equity shares of ₹10 each of MIBL, at a price of ₹ 1001 per share on 22nd September 2023 involving a pay-out of ₹206.39 crore which has resulted in an increase in equity investment of an equivalent amount. Consequent to this acquisition, MIBL has become a wholly owned subsidiary of the Parent Company effective from 22nd September 2023.

The consolidated financial statements of previous year have been given effect of this transaction to reflect the relevant accounting implications as at 30th September 2023 and the same has been carried forward in the results for the previous year ended 31st March 2024.

40 As required under the 'Companies (Audit and Auditors) Amendment Rules, 2021, read with sub-section 3 of Section 143 of the Companies Act, 2013, the Parent and its indian subsidiaries has used accounting software for maintaining its books of account for the financial year ended 31st March 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled at the database level to log any direct data changes, wherein adequate alternate control tools have been deployed to monitor the direct data changes effected at the data base level.

Notes forming part of the Consolidated Financial Statements

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Further, as required under proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, the audit trail has been preserved by the Parent and its indian subsidiaries as per the statutory requirements for record retention.

41 Capital management

The Group's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt as may be appropriate.

The Group determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio of the Group.

The Parent Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, as applicable, the Parent Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Parent Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

The Parent Company has complied with all regulatory requirements related to capital and capital adequacy ratios as prescribed by RBI, details of which are given below :-

Regulatory capital

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Tier - I capital	17,835.12	16,308.04
Tier - II capital	3,602.40	2,462.39
Total Capital	21,437.51	18,770.43
Aggregate of Risk Weighted Assets	116,967.79	99,531.86
Tier - I capital ratio	15.25%	16.39%
Tier - II capital ratio	3.08%	2.47%
Total Capital ratio	18.33%	18.86%

The housing finance business of the Group is subject to the capital adequacy requirements of the National Housing Bank (NHB) and has complied with all regulatory requirements related to regulatory capital and capital adequacy ratios as prescribed by NHB.

42 Leases

I) In the cases where assets are taken on operating lease (as lessee) -

As a lessee, the Group's lease asset class primarily consist of buildings or part thereof taken on lease for office premises, certain IT equipments and general purpose office equipments used for operating activities.

a) Maturity Analysis - Contractual Undiscounted Cash Flow:

(₹ in crore)

Particulars	As at 31st March 2025	As at 31st March 2024
Less than 1 year	126.55	112.54
1 - 3 years	233.50	223.77
3 - 5 years	148.75	148.91
More than 5 years	110.54	144.13
Total undiscounted lease liabilities	619.34	629.35

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

b) Other disclosures:

Following table summarizes other disclosures including the note references for the expense, asset and liability heads under which certain expenses, assets and liability items are grouped in the financial statements.

(₹ in crore)

Particulars		Amount for the year ended / As at	
		31st March 2025	31st March 2024
i)	Depreciation charge for Right-Of-Use assets for Leasehold premises (presented under note - 31 "Depreciation, amortization and impairment")	103.65	99.65
ii)	Interest expense on lease liabilities (presented under note - 29 "Finance costs")	39.99	36.08
iii)	Expense relating to short-term leases (included in Rent expenses under note 33 " Other expenses")	4.19	17.10
iv)	Expense relating to leases of low-value assets (included in Rent expenses under note 33 " Other expenses")	11.78	12.29
v)	Payments for principal portion of lease liability	128.83	85.95
vi)	Additions to right-of-use assets during the year (refer note 11)	110.86	104.04
vii)	Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset -		
	- Property taken on lease for office premises (presented under note - 11 "Property, plant and equipments")	434.02	435.15
viii)	Lease liabilities (presented under note - 20 "Other financial liabilities")	503.99	495.13

II) In the cases where assets are given on operating lease (as lessor) -

Key terms of the lease are as below :

i) Both New and Used vehicles are offered on Lease for a tenure ranging from 24 to 60 months.

ii) Customised leasing solutions are offered with value-added services like Fleet Management with regards to vehicle maintenance, Insurance management including claim settlement, pick-up and drop, replacement vehicle etc

iii) The consideration payable is the monthly lease rental which varies based on the make / model of the vehicle and tenure leased.

Rental income arising from these operating leases is accounted for on a straight-line basis over the lease tenure and is included in rental income in the Statement of profit and loss. Costs, including depreciation, incurred in earning the lease income are recognised as an expense.

Below are the list of risk mitigation strategy adopted by the group for the underlying assets as per provisions of Ind AS 116

- All the leased assets are insured.
- Hypothecation of assets in the name of the respective entity.
- Asset confirmations is obtained from lesee's on quarterly basis.
- Security deposit obtained to reduce the exposure on a case to case basis based on Customer profile.
- Variable lease payments based on usage of vehicles.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

Other details are as follows:

(₹ in crore)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
i) New vehicles to retail customers on operating lease -		
Gross carrying amount	571.59	457.80
Depreciation for the year	86.62	75.03
Accumulated Depreciation	178.94	128.31
ii) Used and refurbished vehicles to travel operators / taxi aggregators -		
Gross carrying amount	0.90	2.71
Depreciation for the year	0.01	0.12
Accumulated Depreciation	0.87	2.68

The total future minimum lease rentals receivable for the non-cancellable lease period as at the Balance sheet date is as under:

(₹ in crore)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
i) New vehicles to retail customers on operating lease -		
Not later than one year	124.58	140.89
Later than one year but not later than five years	225.38	279.08
Later than five years	0.01	-
Total	**349.97**	**419.97**
ii) Used and refurbished vehicles to travel operators / taxi aggregators -		
Not later than one year	-	-
Later than one year but not later than five years	-	-
Total	**-**	**-**

iii) In the cases where assets are given on finance lease (as lessor) -

Reconciliation of undiscounted lease payment to net investment :

(₹ in crore)

Particulars	As at 31st March 2025	As at 31st March 2024
Gross Investment	1,192.23	827.32
Less : Unearned Income	187.62	143.71
Net Investment before charging allowance for Impairment loss	1,004.61	683.61
Less : Allowance for Impairment losses	9.71	6.51
Total Net Investment	994.90	677.10

Maturity analysis :

(₹ in crore)

Particulars	Within 1 year	1 to 5 years	Over 5 years	Total
Gross Investment	448.81	743.36	0.06	1,192.23
Less : Unearned Income	95.07	92.55	-	187.62
Net investment before charging allowance for Impairment loss	353.74	650.80	0.06	1,004.61

43 Frauds reported during the year

There were 258 cases (31st March 2024: 309 cases) of frauds amounting to ₹7.16 crore (31st March 2024: ₹143.15 crore) reported by the Group during the year. The Group has recovered an amount of ₹2.44 crore (31st March 2024: ₹6.07 crore) and has initiated appropriate legal actions against the individuals involved. The claims for the un-recovered losses have been lodged with the insurance companies on merit basis.

44 Contingent liabilities and commitments (to the extent not provided for)

(₹ in crore)

Particulars	31st March 2025	31st March 2024
i) Contingent liabilities		
Demand against the Company not acknowledged as debts -		
- Income Tax matters where Company has gone in Appeal	39.69	44.51
- Goods & Service Tax matters where Company has gone in Appeal	0.89	0.89
- Service Tax matters where Company has gone in Appeal	93.66	90.30
- Value Added Tax matters where Company has gone in Appeal	44.70	44.70
Disputed claims against the Company lodged by various parties under litigation (to the extent quantifiable)	7.18	6.59
Guarantees	868.56	1,451.69
Other money for which the Company is contingently liable	-	-
Sub-Total (i)	**1,054.68**	**1,638.69**
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account	97.34	48.70
Other commitments	766.08	597.11
Sub-Total (ii)	**863.42**	**645.81**
Total	**1,918.10**	**2,284.50**

The Group's pending litigations comprise of claims against the Group primarily by the customers and proceedings pending with Income Tax, sales tax/VAT and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial performance and financial position regarding the amounts disclosed above, it is not practicable to disclose information on the possibility of any reimbursements as it is determinable only on the occurrence of uncertain future events.

45 Transfer of financial assets

a) Transferred financial assets that are not derecognized in their entirety - Securitization transactions

The Group has transferred certain pools of fixed rate loan receivables backed by underlying assets in the form of tractors, vehicles, equipments etc. by entering in to securitisation transactions with the Special Purpose Vehicle Trusts ("SPV Trust") sponsored by Commercial banks for consideration received in cash at the inception of the transaction.

The Group, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Payout Account maintained by the SPV Trust for making scheduled payouts to the investors in Pass Through Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also requires the Group to provide for

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first loss credit enhancement in various forms, such as corporate guarantee, cash collateral, subscription to subordinated PTCs etc. as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Group is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Group has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as "Associated liability related to Securitisation transactions" under Note no.17.

The following table provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

(₹ in crore)

Particulars	As at 31st March 2025	As at 31st March 2024
Securitisations -		
Carrying amount of transferred assets measured at amortised cost	8,623.56	5,589.23
Carrying amount of associated liabilities (Term Loan)	8,732.98	5,608.83
Fair value of assets (A)	8,482.49	5,425.67
Fair value of associated liabilities (B)	8,909.62	5,716.38
Net position at FV (A-B)	(427.13)	(290.71)

b) Transferred financial assets that are not derecognized in their entirety - Assignment Deals

During the year ended 31st March 2025, the parent company had sold loans and advances measured at amortized cost as per assignment deals undertaken by the Company. As per the terms of these deals, since substantial risk and reward related to these assets were transferred to the buyer, the assets have been derecognized from the group's balance sheet to the extent of share of assignee.

The management of the parent company has evaluated the impact of assignment deals done during the year for its business model. Based on the future business plans, the parent company's business model remains to hold the assets for collecting contractual cash flows.

The Parrent Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 80% to the buyer, the assets have been de-recognised from the Group's Balance Sheet. The following table provide a summary of the carrying amount of the derecognised financial assets:

(₹ in crore)

Particulars	As at 31st March 2025	As at 31st March 2024
Direct Assignment -		
Carrying amount of de-recognized financial assets measured at amortized cost	41.34	-
Carrying amount of exposures retained by the Company at amortised cost	10.33	-

* During the previous year, the Company has not transferred or acquired any loan exposures through assignment / novation and loan participation.

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46 There was no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

47 The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

48 Reconciliation of movement of liabilities to cash flows arising from financing activities

Year ended 31st March 2025

(₹ in crore)

Particulars	31st March 2024	Business Combination	Cash flows (net)	Exchange difference	Others	31st March 2025
Debt securities	29,888.41	-	(1,189.48)	-	7.36	28,706.29
Borrowings (Other than debt securities)	56,789.54	-	14,668.23	43.39	33.14	71,534.30
Deposits	7,174.73	-	3,703.24	-	(13.88)	10,864.09
Subordinated liabilities	4,466.45	-	1,315.96	-	(2.45)	5,779.96
Lease liabilities	495.13	-	(114.84)	-	123.70	503.99
Total	**98,814.26**	**-**	**18,383.11**	**43.39**	**147.87**	**117,388.63**

Year ended 31st March 2024

(₹ in crore)

Particulars	31st March 2023	Business Combination	Cash flows (net)	Exchange difference	Others	31st March 2024
Debt securities	27,912.79	-	1,971.80	-	3.82	29,888.41
Borrowings (Other than debt securities)	44,154.40	-	12,699.37	(76.49)	12.26	56,789.54
Deposits	5,458.74	-	1,708.98	-	7.01	7,174.73
Subordinated liabilities	3,902.63	-	559.85	-	3.97	4,466.45
Lease liabilities	481.64	-	(105.22)	-	118.71	495.13
Total	**81,910.20**	**-**	**16,834.78**	**(76.49)**	**145.77**	**98,814.26**

49 Segment information

Primary segment (Business Segment)

The Group's business is organised in to following segments and the management reviews the performance based on the business segments as mentioned below:

Segment	Activities covered
Financing activities	Financing and leasing of automobiles, tractors, commercial vehicles, SMEs and housing finance.
Other reconciling items	Insurance broking, asset management services and trusteeship services

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identifiable with individual segments or have been allocated to segments on a systematic basis. Based on such allocation, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary segment (Geographical Segment)

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

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The following table gives information as required under the Ind AS -108 on Operating Segments:

(₹ in crore)

Particulars	Year ended 31st March 2025			Year ended 31st March 2024		
	Financing Activities	Others	Total	Financing Activities	Others	Total
External Revenue	17,141.49	1,450.53	18,592.02	14,919.74	1,094.93	16,014.67
Inter Segment Revenue	-	-	61.56	-	-	44.35
Net Revenue	**17,141.49**	**1,450.53**	**18,530.46**	**14,919.74**	**1,094.93**	**15,970.32**
Segment Results (Profit / (Loss) before tax) :	2,790.68	236.23	3,026.91	2,420.70	167.48	2,588.18
Add : Other unallocable income net of unallocable expenditure	-	-	-	-	-	-
Net Profit before tax	**2,790.68**	**236.23**	**3,026.91**	**2,420.70**	**167.48**	**2,588.18**
Segment Assets	141,603.55	936.80	142,540.35	121,353.89	826.63	122,180.52
Unallocated corporate assets	-	-	1,564.91	-	-	1,535.27
Total Assets			**144,105.26**			**123,715.79**
Segment Liabilities	122,158.20	291.86	122,450.06	103,363.70	248.63	103,612.33
Other unallocable liabilities	-	-	82.22	-	-	128.60
Total Liabilities			**122,532.28**			**103,740.93**

50 Financial Risk Management Framework

In the course of its business, the Group is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk. The Group's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the risk management policy which has been approved by the Board of Directors of the respective Group companies.

Board of Directors of the Parent and its subsidiary in the housing finance business have established Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring risk management policies for its business. The financial services business is exposed to high credit risk given the unbanked rural customer base and diminishing value of collateral. The credit risk is managed through credit norms established based on historical experience.

50.1 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

a) Pricing Risk

The Group's Investment in Commercial Papers, Certificate of Deposits with Banks and Mutual Funds are exposed to pricing risk. A 5 percent increase in Net Assets Value (NAV) would increase profit before tax by approximately ₹ 165.08 crore (31st March 2024 : ₹ 98.12 crore). A similar percentage decrease would have resulted equivalent opposite impact.

b) Currency Risk

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Group's foreign currency exposures are managed in accordance with its derivative Risk Management Policy which

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has been approved by its Board of Directors. The Group manages its foreign currency risk by entering into forward contract and cross currency swaps, principal and interest rate swaps. Other derivative Instruments may be used if deemed appropriate.

The carrying amounts of the Group's foreign currency exposure at the end of the reporting period are as follows:

(₹ in crore)

Particulars	JPY	US Dollar	Total
As at 31st March 2025			
Financial Assets	-	-	-
Financial Liabilities	936.53	5,964.24	6,900.77
As at 31st March 2024			
Financial Assets	-	-	-
Financial Liabilities	1,270.88	831.17	2,102.05

Hedge Accounting - Forwards & Swaps

Contracts that meet the requirements for hedge accounting are accounted as per the hedge accounting requirements of Ind AS 109 -Financial Instruments. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed. Hedge effectiveness for all hedges are 100%.

Details of foreign currency forward contracts and swaps outstanding at the end of reporting period

(₹ in crore)

Outstanding Contracts	2025		2024	
	Notional Value (#)	Carrying amount of hedging instrument included in Other Financial Assets / (Liabilities)	Notional Value (#)	Carrying amount of hedging instrument included in Other Financial Assets / (Liabilities)
Cash Flow Hedges				
Buy Currency				
Maturing in 1+ years				
JPY/INR	-	-	831.13	(176.47)
USD/INR	5,141.00	(90.32)	-	-
Maturing less than year				
JPY/INR	831.13	(221.16)	4.39	(0.93)
USD/INR	827.70	17.08	827.70	(3.57)

There are no significant transactions of hedges which are ineffective.

Notional value of respective currency pair have been converted into presentation currency i.e. INR using year end closing exchange rate.

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The movements in cash flow hedge reserve for instruments designated in a cash flow hedge are as follows:

(₹ in crore)

Particulars	2025			2024		
	Exchange Rate Risk hedges	Interest Rate Risk hedges	Total	Exchange Rate Risk hedges	Interest Rate Risk hedges	Total
Balance at the beginning of the year	(0.09)	(7.19)	(7.28)	5.30	(10.04)	(4.74)
(Gains)/Losses transferred to Profit or Loss on occurrence of the forecast transaction	-	-	-	-	-	-
Change in fair value of effective portion of cash flow hedges	4.71	(66.94)	(62.23)	(7.20)	3.81	(3.39)
Total	**4.62**	**(74.13)**	**(69.51)**	**(1.90)**	**(6.23)**	**(8.13)**
Deferred tax on the above	(1.19)	16.85	15.66	1.81	(0.96)	0.85
Balance at the end of the year	3.43	(57.28)	(53.85)	(0.09)	(7.19)	(7.28)
Of the above:						
Balance relating to continuing hedges	3.43	(57.28)	(53.85)	(0.09)	(7.19)	(7.28)

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

(₹ in crore)

Particulars	Currency	Change in rate	Effect on OCI
Year ended 31st March 2025	INR/JPY	(+/-) 10.00%	(+/-) 93.77
	INR/USD	(+/-) 10.00%	(+/-) 599.07
Year ended 31st March 2024	INR/JPY	(+/-) 10.00%	(+/-) 127.38
	INR/USD	(+/-) 10.00%	(+/-) 83.37

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

c) Interest Rate Risk

The Group uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates.

Interest Rate risk on variable rate borrowings is managed by way of interest rate swaps, wherever necessary.

Interest Rate sensitivity

The sensitivity analysis below have been determined based on exposure to financial instruments at the end of the reporting year. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

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The carrying value of floating rate loans is ₹ 8,297.61 crore (31st March 2024: ₹ 6,451.18 crore) and floating rate borrowings is ₹ 45,117.74 crore (31st March 2024: ₹43,581.43 crore).

(₹ in crore)

Particulars	Currency	Increase / decrease in basis points	Effect on profit before tax
Year ended 31st March 2025	INR	100	368.20
Year ended 31st March 2024	INR	100	388.68

d) Off-setting of balances

The table below summarises the financial liabilities offsetted against financial assets and shown on a net basis in the balance sheet:

Financial assets subject to offsetting

(₹ in crore)

Particulars	Offsetting recognised on the balance sheet		
	Gross assets before offset	Financial liabilities netted	Assets recognised in balance sheet
Loan assets			
At 31st March 2025	116,311.91	(97.89)	116,214.02
At 31st March 2024	99,292.33	(97.15)	99,195.18

50.2 Credit Risk Management

Credit risk is the risk that the Group will incur a loss because its customers fail to discharge their contractual obligations. The Group has a comprehensive framework for monitoring credit quality of its retail and other loans based on Days past due monitoring at period end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

(i) Credit quality of financial loans and investments

The following table sets out information about credit quality of loan assets and investments measured at amortised cost based on days past due information. The amount represents gross carrying amount.

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Gross carrying value of Retail loans including Finance Lease		
Neither Past due nor impaired	89,919.00	79,701.81
Past Due but not impaired :	-	-
1-30 days past due	9,970.55	6,836.64
31-90 days past due	6,499.43	5,133.38
Impaired (more than 90 days)	4,348.55	3,453.32
Total Gross carrying value as at reporting date	**110,737.53**	**95,125.15**

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Gross carrying value of Residential loan assets		
Neither Past due nor impaired	6,127.28	5,729.63
Past Due but not impaired :		
1-30 days past due	246.35	230.18
31-90 days past due	480.52	598.36
Impaired (more than 90 days)	648.95	650.91
Total Gross carrying value as at reporting date	**7,503.09**	**7,209.08**

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(₹ in crore)

Particulars	31st March 2025	31st March 2024
Gross carrying value of SME loans including Bills of exchange		
Neither Past due nor impaired	5,810.25	3,533.97
Past Due but not impaired :		
1-30 days past due	218.18	1,194.40
31-90 days past due	55.04	40.94
Impaired (more than 90 days)	65.07	43.10
Total Gross carrying value as at reporting date	**6,148.54**	**4,812.41**

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Gross carrying value of Trade Advances		
Less than 60 days past due	3,188.50	2,853.29
61-90 days past due	2.32	18.94
Impaired (more than 90 days)	8.38	6.87
Total Gross carrying value as at reporting date	**3,199.20**	**2,879.10**

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Gross carrying value of Financial Investments measured at amortised cost		
Neither Past due nor impaired	1,255.87	1,313.22
Past Due but not impaired :		
1-30 days past due	-	-
31-90 days past due	-	-
Impaired (more than 90 days)	-	-
Total Gross carrying value as at reporting date	**1,255.87**	**1,313.22**

The Credit quality of the loans is monitored concurrently. Since the group is primarily into retail lending business, there is no significant credit risk of any individual customer that may impact the group adversely, and hence the Group has calculated its ECL allowances on a collective basis.

ii) Inputs considered in the ECL model

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been classified into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Group categorises Loan Assets (except trade advances) into stages primarily based on the Days Past Due status.

Stage 1 : 0-30 days past due

Stage 2 : 31-90 days past due

Stage 3 : More than 90 days

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The Group categorises Trade Advances into stages primarily based on the Days Past Due status.

Stage 1 : 0-60 days past due

Stage 2 : 61-90 days past due

Stage 3 : More than 90 days

The ECL estimates are forward looking and include probability weighted outcomes. A macroeconomic overlay is applied to the observed default rate (ODR) considering portfolio specific macroeconomic factors that affect the Probability of Default (PD) due to underlying economic conditions of the country.

The Parent company has computed expected credit losses for Trade Advance Portfolio based on historical movement data, capturing transitions between stages and loss on historically written off unrecovered amounts from dealers.

For leasing portfolio comprising of Operating and Finance Lease, the parent company uses ECL coverage of Industry Peers in similar business line, considering limited history of collection and loss data for the completed life cycle for these portfolios which is needed for determining PD and LGD parameters for computation of ECL allowance.

(iii) Definition of default

The Group considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes more than 90 past due on its contractual payments.

Since the group's portfolio predominantly includes retail loan portfolio with around 3 million loan accounts making it difficult to define default at an individual loan account, the group has considered 90 days past due as the event of default. The same is also in line with the regulator's definition of default of 90 days past due.

(iv) Exposure at default

Exposure at Default" (EAD) represents the gross exposure balance when default had occurred. EAD is subject to impairment calculation for Stage 3 assets. Future Expected Cash flows (Principal and Interest) for future years has been used as exposure for Stage 2.

(v) Estimations and assumptions considered in ECL model

The Parent Company has made the following assumptions in the ECL Model:

a) Loss Given Default (LGD):

- LGD represents expected losses on the EAD given the event of default, taking into account the time value of cash flows from the date of default, discounted on effective interest rate (EIR). It is an estimate of the loss from a transaction given that a default occurred.

  While, the general approach / methodology remains the same, the measurement of ECL on retail vehicle loans is done on a slightly differentiated approach as mentioned here below.

- For Stage 3 assets with an ageing more than 18 months (540 DPD) (stressed portfolio), provision is calculated by applying LGD at higher rate. Higher LGD rate is determined based on the historical loss that has occurred during the tenor of individual assets forming part of specific portfolio of contracts with an ageing of more than 18 months (540 DPD) at the historical period end date (i.e. 42 months from the reset /reporting date) based on the average life of the portfolio and is considered as model provision for ECL calculation;

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- For Stage 3 assets with an ageing up to 18 months (540 DPD), provision is calculated by applying the Composite LGD rate#;
- For Stage 1 and Stage 2 assets, continue to derive and apply Composite LGD rate in calculation of loss allowances.

Composite LGD rate : It is an estimate of the loss from a transaction given that a default occurs. It is based on the historical loss on the portfolio that has occurred during the tenor of the individual assets forming part of the portfolio. For calculating LGD, the Company takes into consideration the Stage 2 assets that have reached 90+ DPD in the past and Stage 3 cases of historical period end date (i.e. 42 months from the reset /reporting date) based on the average life of the portfolio. Actual cash flows pertaining to this portfolio from the first default date to current reset/reporting date are then discounted at Loan EIR rate for arriving at this loss rate.

b) **Probability of Default (PD):**

- It is an estimate of likelihood or risk of default occurring over a particular time horizon.
- For Stage 1 assets, 12 months PD is considered which represents default events that are possible within 12 months after the reporting date.
- For Stage 2 assets , life time PD is considered which represents default events that are possible over the expected life / tenor of the financial instrument.
- PD is applied on Stage 1 and Stage 2 assets on a portfolio basis;
- For Stage 3 assets, PD is always at 100% as these are impaired assets.

The underlying methodology of Historical PD calculation remains the same for both Stage 1 and Stage 2 assets.

(vi) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted.

It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of respective portfolios over a period of time have been applied to determine impact of macroeconomic factors.

ECL allowance (or provision) on Stage 1 and Stage 2 assets is measured using portfolio approach, whereas impairment provisions on Stage 3 assets is measured at each individual asset / instrument level.

- **Financial assets that are not credit impaired at the reporting date:**

  ECL for Stage 1 : Gross exposure is multiplied by PD and Composite LGD percentage to arrive at the ECL allowance;

- **Financial assets that have had a significant increase in credit risk (SICR) since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment:**

  ECL for Stage 2 : Future Expected Cash flows (Principal and Interest) for respective future years is multiplied by respective years Marginal PDs and Composite LGD percentage and thus arrived ECL allowance is then discounted with the respective loan EIR to calculate the present value of ECL allowance. In addition, in case of Bills discounting and Channel finance, as the average lifetime is of 90 days, a time to maturity factor of 0.25 is used in the ECL computation.

- **Financial assets that are credit impaired at the reporting date:**

  ECL for Stage 3: Difference between the gross exposure at reporting date and computed carrying amount considering EAD net of LGD and PV of actual cash flows till reporting date including compounded interest at loan EIR on net carrying value.

  For Stage 3 assets in retail portfolio, ECL allowance is calculated separately as follows:

- **Stage 3 assets with ageing up to 18 months (< =540 DPD)**

  ECL allowance = (Gross exposure on reporting date less Required Carrying value-A)

  Required Carrying value-A ={EAD less ECL allowance at Composite LGD rate less PV of actual cashflows till reporting date plus interest compounded @ loan EIR}

- **Stage 3 assets with ageing more than 18 months (>540 DPD)**

  ECL allowance = (Gross exposure on reporting date less Required Carrying value-B)

  Required Carrying value-B ={EAD less ECL allowance at Higher LGD rate less PV of actual cashflows till reporting date plus interest compounded @ loan EIR}

- **Undrawn loan commitments:**

  ECL on undrawn loan commitments is calculated basis the Stage in which that particular customer already exists.

ECL on Small and Medium Enterprise (SME) portfolio:

For loans provided under SME vertical, the general approach / methodology remains similar to the retail vehicle loans.

The Business Enterprise and Retail Enterprise Portfolio has been further segregated into secured and unsecured portfolio.

A distinct PD specific to secured loans, including LAP, has been derived based on historical performance.

A separate PD has been calculated for unsecured loans, reflecting their higher risk profile.

Segmenting PD by secured and unsecured loans improves precision in risk measurement and aligns with the portfolio composition.

The portfolio's Observed Default Rate (ODR) is modelled using historical data (secured and unsecured loans considered together), leveraging an approach similar to Wheels Business incorporating a three variable regression model.

The LGD approach focuses exclusively on cases where loans have defaulted, and all associated collections have been fully realized.

ECL on Lease business portfolio:

The customer segment of the Parent Company catered under leasing business consist of employees of corporates (Employee Lease Programs) and B2B segment which includes business entities, firms, trusts and societies, fleet operators, commercial vehicles, construction equipment etc.

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Since the Lease business comprising Operating and Finance lease was relatively new line of business, there is limited history of collection and loss data for the completed life cycle for these portfolios which is needed for determining PD and LGD parameters for computation of ECL allowance.

In view of the above, the Parent Company has adopted Industry level benchmark, i.e. ECL coverage rate, for estimating ECL allowance on operating and finance lease portfolio considering the similarities in products offered, customer segments catered and average tenure of lease contracts.

ECL on Trade Advance portfolio:

The portfolio comprises of short-term advance to M&M and Non M&M dealers.

The Interest-Free Trade Advance (IFTA) period generally ranges between 15 days to 75 days for Trade Advance (TA) facilities offered to dealers.

SICR is assumed at 60 days past the lending date, considering the due date logic instead of Days Past Due (DPD) logic.

The Parent Company has computed Through the Cycle (TTC) PDs based on month-on-month transition matrix of historical movement data, capturing transitions between stages. These transition probabilities are used as input to calculate TTC PDs. Given the short tenure of the facility, management believes that the impact of macro economic factors may not impact the PD of the portfolio in the short span.

The Parent Company has historically written off unrecovered amounts from dealers in adherence to the Technical Write off policy. The portfolio's own historical experience provides a reliable LGD estimate which is considered for ECL computation.

ECL on Investments:

The group applies a structured and comprehensive ECL approach to three critical investment categories: Investments in Government Securities (G-Secs), Bonds, Commercial Papers (CPs), and Certificates of Deposit (CDs), Liquidity Pools for Short-Term Requirements, and Pass-Through Certificates (PTCs) from securitisation transactions.

i. **Investments in G-Secs, Bonds, CP, and CD**

Investments in G-Secs, Bonds, CP, and CD are measured at fair value through profit and loss (FVTPL) or other comprehensive income (FVOCI).

Periodic revaluations ensure that market fluctuations and credit risks are accurately captured.

Fluctuations in fair value are recorded in the profit and loss account or other comprehensive income, depending on the classification of the asset.

ii. **Liquidity Pool Investments**

Liquidity pool investments are categorized as financial assets measured at fair value through profit or loss (FVTPL) or other comprehensive income (FVOCI) as per Ind AS 109.

Regular revaluations align their valuation with prevailing market conditions.

Fluctuations in the fair value are recorded directly in the profit and loss account or other comprehensive income, depending on the classification.

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Exemption from Impairment Testing:

Since these assets are measured at fair value, additional impairment testing is not required under Ind AS 109. The fair value inherently reflects:

a. Market Volatility: Adjustments for prevailing economic and market conditions.

b. Credit Risk: Assessment of the issuer's creditworthiness.

c. Governance Practices: Regular compliance reviews ensure alignment with regulatory guidelines. Transparent reporting of valuation methodologies enhances stakeholder confidence.

iii. **Pass through Certificates (PTCs):**

The creditworthiness of the underlying loan pool is assessed using historical performance data, default rates, and recovery trends.

Insights from these evaluations guide the classification and risk provisioning of PTC investments.

Stage Classification:

Stage 1: Investments with low credit risk, requiring computation of 12-month ECL.

Stage 2: Investments with a significant increase in credit risk, necessitating lifetime ECL.

Stage 3: Defaulted investments, for which lifetime ECL is calculated with elevated provisioning requirements.

ECL Estimation Metrics:

Probability of Default (PD): Based on historical data and forward-looking macroeconomic factors.

Loss Given Default (LGD): Reflecting recovery rates and collateral quality.

Exposure at Default (EAD): The total value exposed to credit risk.

Time Value Adjustment: Future ECL amounts are discounted to present value using the effective interest rate, ensuring accurate reflection of economic impacts.

ECL on Other Financial Assets:

MMFSL has Simplified Approach to Expected Credit Loss (ECL) under Ind AS 109 for other financial assets that involve credit risk. This approach is considered suitable for as receivables portfolios as aging and historical recovery trends are the primary drivers of credit risk assessment. These assets include receivables, Insurance Claims, Professional Charges, Interest Receivables (Interest accrued but not yet received), Brokerage etc.

The calculation of lifetime ECL is based on historical coverage rates which incorporates Probability of Default (PD) and Loss Given Default (LGD). The coverage rate is used to estimate the credit loss for each aging bucket, avoiding the need to compute PD and LGD separately.

Receivables Outstanding ≤ 90 DPD: A specific coverage rate is applied based on historical recovery patterns from wheels portfolio which is the largest portfolio for MMFSL and reflects long term trends.

Receivables Outstanding > 90 DPD: A 100% coverage rate is applied, assuming all receivables aged beyond 90 days are fully uncollectible based on historical trends.

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(vii) Forward Looking adjustments

The Historical PDs are converted into forward looking Point-in-Time PDs using statistical model incorporating the forward looking economic outlook, as required by Ind AS 109.

The macroeconomic variables considered by the Group are robust reflections of the state of economy which result into systematic risk for the respective portfolio categories.

Additionally, three different scenarios have been considered for ECL calculation. Along with the actual numbers (considered for Base case scenario), other scenarios take care of the forward looking economic outlook.

(viii) Assessment of significant increase in credit risk

When determining whether the credit risk has increased significantly since initial recognition, the Group considers both quantitative and qualitative information and analysis based on the Group's historical experience, including forward-looking information. As per Ind AS 109, loans are required to be moved from Stage 1 to Stage 2 if and only if they have been the subject of a SICR. A SICR occurs when there has been a significant increase in the risk of a default occurring over the expected life of a financial instrument. In line with Basel guidance on ECL, the definition of default and the convention for counting days past due adopted for accounting purposes will be guided by the definition used for regulatory purposes The Group considers reasonable and supportable information that is relevant and available without undue cost and effort. The Group's accounting policy is not to use the practical expedient that the financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk (SICR). As a result, the Group monitors all financial assets and loan commitments that are subject to impairment for SICR.

As a part of the qualitative assessment of whether a customer is in default, the Parent company also considers a variety of instances that may indicate unlikeliness to pay. In such instances, the Parent company treats the customer at default and therefore assesses such loans as Stage 3 for ECL calculations. Such qualitative factors include: -

i. A Stage 3 customer having other loans which are in Stage 1 or 2.

ii. Not to consider Uncleared cheques as on reporting date for outstanding DPD calculation for retail vehicle loans

iii. Retail vehicle loans, where asset has been repossessed.

iv. Cases where Company suspects fraud and legal proceedings are initiated.

v. SME loans where the Company has resorted to its rights under the SARFAESI Act.

vi. Exposure of co -applicant is considered for provision in Stage 3.

Further, the Group classifies certain category of exposures in to Stage 3 and makes accelerated provision upto 100% based on qualitative assessment implying the significant deterioration in asset quality or increase in credit risk on selective basis.

The Group regularly reviews it's ECL model based on actual loss experience and update the parameters used for ECL calculations.

(ix) Policy for write off of Loan Assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the

Notes forming part of the Consolidated Financial Statements

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Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "Bad debts and write offs" forming part of "Impairment on financial instruments" in Statement of profit and loss.

(x) Inputs to the model of Retail Loan portfolio of the parent company.

a. Observed Default Rates (ODRs) over past 60 months for each product category

b. Macro economic variables provided by Economist Intelligence Unit (EIU)# for the past 5 years

c. Macro economic variables projected by EIU for the next 5 years

The Economist Intelligence Unit (EIU) is the research and analysis division of the Economist Group, providing forecasting, macro-economic analysis and advisory services through research and analysis, such as monthly country reports, five-year country economic forecasts, country risk service reports, and industry reports."

A. Model process

a. Macro economic historical variables are tested for statistical robustness and filtered

b. These are converted into quarterly numbers applying cubic spline technique

c. Variables that are acceptable are regressed with historical ODRs, considering 3 variables at a time.

d. These combinations are further tested for statistical robustness.

e. Those that pass the test are sorted on R squared (fitness) and the best fit is selected.

f. This combination is passed through the Vasicek model to derive scalars that are used to project future PDs.

B. In the selection of macro-economic variables, the management considers best combination of variables for its respective product categories based on statistically tested model output representing higher level of correlation and as well as those which have business relevance as per management assessment.

C. In the selection of macro-economic variables for the best combination, the following parameters are considered:

a. GDPP is considered as one of 3 variables compulsorily.

b. Second Variable is from below list of parameters selected by the management which are considered relevant to the business:

Description
Real GDP (% change pa)
Nominal GDP (PPP$)
Real private consumption (LCU)
Real government consumption (LCU)
Real gross fixed investment (LCU)
Real exports of G&S (LCU)
Real imports of G&S (LCU)
Real domestic demand (LCU)
Real GDP (PPP US$ at 2010 prices)
Real private consumption (US$ at 2010 prices)
Real gross fixed investment (US$ at 2010 prices)

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Nominal GDP (LCU)
Nominal private consumption (LCU)
Nominal government consumption (LCU)
Nominal gross fixed investment (LCU)
Nominal exports of G&S (LCU)
Nominal imports of G&S (LCU)
Nominal domestic demand (LCU)
Nominal GDP (US$)
Nominal private consumption (US$)
Nominal government consumption (US$)
Nominal gross fixed investment (US$)
Nominal exports of G&S (US$)
Nominal imports of G&S (US$)
Nominal domestic demand (US$)
GDP deflator (2010=100; av)
Real agriculture (LCU)
Consumer prices (% change pa; av)
Lending interest rate (%)
Budget revenue (LCU)
Budget expenditure (LCU)
Domestic credit growth (%)
Consumer price index (av)
Consumer price index (end-period)

c. Third Variable is selected by model

D. Where scalars derived are beyond reasonable levels, a cap and a floor is applied to reduce variability.

E. Where reasonable scalars are not available, as measured by R square, the scalars of the nearest other portfolio are applied.

Impairment loss

The expected credit loss allowance provision for **Retail Loans including Finance lease** is determined as follows:

(₹ in crore)

Particulars	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired	Total
Gross Balance as at 31st March 2025	99,889.55	6,499.43	4,348.55	110,737.53
Expected credit loss rate	0.54%	9.00%	50.79%	
Carrying amount as at 31st March 2025 (net of impairment provision)	99,345.58	5,914.76	2,139.73	107,400.07
Gross Balance as at 31st March 2024	86,538.45	5,133.38	3,453.32	95,125.15
Expected credit loss rate	0.68%	11.39%	63.16%	
Carrying amount as at 31st March 2024 (net of impairment provision)	85,950.02	4,548.64	1,272.22	91,770.88

Notes forming part of the Consolidated Financial Statements

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The expected credit loss allowance provision for **Residential Loans** is determined as follows:

(₹ in crore)

Particulars	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired	Total
Gross Balance as at 31st March 2025	6,373.62	480.51	648.95	7,503.08
Expected credit loss rate	0.17%	9.90%	84.90%	
Carrying amount as at 31st March 2025 (net of impairment provision)	6,362.81	432.93	97.99	6,893.73
Gross Balance as at 31st March 2024	5,959.81	598.36	650.91	7,209.08
Expected credit loss rate	0.27%	8.23%	32.36%	
Carrying amount as at 31st March 2024 (net of impairment provision)	5,943.89	549.11	440.30	6,933.30

The expected credit loss allowance provision for **SME Loans including Bills of exchange** is determined as follows:

(₹ in crore)

Particulars	Less than 60 days past due	61-90 days past due	Credit impaired (more than 90 days)	Total
Gross Balance as at 31st March 2025	6,028.43	55.04	65.07	6,148.54
Expected credit loss rate	0.22%	33.50%	76.15%	
Carrying amount as at 31st March 2025 (net of impairment provision)	6,015.25	36.60	15.52	6,067.37
Gross Balance as at 31st March 2024	4,728.37	40.94	43.10	4,812.41
Expected credit loss rate	0.66%	11.51%	62.85%	
Carrying amount as at 31st March 2024 (net of impairment provision)	4,697.08	36.23	16.01	4,749.32

The expected credit loss allowance provision for **Trade Advances** is determined as follows:

(₹ in crore)

Particulars	Less than 60 days past due	61-90 days past due	Credit impaired (more than 90 days)	Total
Gross Balance as at 31st March 2025	3,188.50	2.32	8.38	3,199.20
Expected credit loss rate	0.71%	4.74%	29.83%	
Carrying amount as at 31st March 2025 (net of impairment provision)	3,166.00	2.21	5.88	3,174.09
Gross Balance as at 31st March 2024	2,853.29	18.94	6.87	2,879.10
Expected credit loss rate	0.40%	5.63%	100.00%	
Carrying amount as at 31st March 2024 (net of impairment provision)	2,841.88	17.87	-	2,859.75

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The contractual amount outstanding for trade advance that has been written off by the Group during the year ended 31st March 2025 and that were still subject to enforcement activity was ₹ 1.60 crore (31st March 2024: 3.36 crore).

The expected credit loss allowance provision for **Financial Investments measured at amortised cost** is determined as follows:

(₹ in crore)

Particulars	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired	Total
Gross Balance as at 31st March 2025	1,255.87	-	-	1,255.87
Expected credit loss rate	-			
Carrying amount as at 31st March 2025 (net of impairment provision)	1,255.87			1,255.87
Gross Balance as at 31st March 2024	1,313.22	-	-	1,313.22
Expected credit loss rate	0.00%			
Carrying amount as at 31st March 2024 (net of impairment provision)	1,313.22			1,313.22

Level of Assessment - Aggregation Criteria

The Group recognises the expected credit losses (ECL) on a collective basis that takes into account comprehensive credit risk information.

Considering the economic and risk characteristics, pricing range, sector concentration, the Group calculates ECL on a collective basis for all stages - Stage 1, Stage 2 and Stage 3 assets.

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to **Retail Loans including Finance Lease** is, as follows:

Gross exposure reconciliation

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 31st March 2023	**67,309.00**	**4,906.91**	**3,692.31**	**75,908.22**
Changes in opening balance due to currency fluctuation	10.49	6.10	4.19	20.78
Addition due to business combination	-	-	-	-
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	1,054.19	(941.77)	(112.42)	-
- Transfers to Stage 2	(3,862.13)	3,945.18	(83.05)	-
- Transfers to Stage 3	(1,396.62)	(697.28)	2,093.90	-
- Loans that have been derecognised during the period	(8,870.25)	(1,299.63)	(1,250.64)	(11,420.52)
New loans originated during the year	48,370.38	755.97	309.15	49,435.50
Write-offs	(2.42)	(9.56)	(976.16)	(988.14)
Impact of changes on items within the same stage	(16,074.13)	(1,532.56)	(224.00)	(17,830.69)
Write down of identified assets as a result of impairment loss provision against equity investment in a subsidiary	-	-	-	-

Notes forming part of the Consolidated Financial Statements

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(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 31st March 2024	**86,538.51**	**5,133.36**	**3,453.28**	**95,125.15**
Changes in opening balance due to currency fluctuation	7.90	1.35	0.50	9.75
Addition due to business combination	-	-	-	-
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	998.28	(909.97)	(88.31)	-
- Transfers to Stage 2	(5,543.16)	5,628.02	(84.86)	-
- Transfers to Stage 3	(1,951.50)	(1,075.03)	3,026.53	-
- Loans that have been derecognised during the period	(9,015.44)	(1,038.84)	(1,075.67)	(11,129.95)
New loans originated during the year	49,146.52	716.81	218.91	50,082.24
Write-offs	(5.67)	(31.81)	(772.51)	(809.99)
Impact of changes on items within the same stage	(20,285.82)	(1,924.49)	(329.36)	(22,539.67)
Gross carrying amount balance as at 31st March 2025	**99,889.62**	**6,499.40**	**4,348.51**	**110,737.53**

Reconciliation of ECL balance

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 31st March 2023	**534.97**	**519.94**	**2,173.45**	**3,228.36**
Changes in opening balance due to currency fluctuation	0.13	0.17	0.46	0.76
Change due to business combination	-	-	-	-
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	165.50	(100.23)	(65.27)	-
- Transfers to Stage 2	(30.78)	78.31	(47.53)	-
- Transfers to Stage 3	(11.11)	(74.34)	85.45	-
- Loans that have been derecognised during the period	(70.19)	(135.23)	(725.96)	(931.38)
New loans originated during the year	327.80	82.58	192.77	603.15
Write-offs	(0.02)	(1.00)	(575.64)	(576.66)
Impact of changes on items within the same stage	(327.87)	214.54	1,143.37	1,030.04
ECL allowance balance as at 31st March 2024	**588.43**	**584.74**	**2,181.10**	**3,354.27**
Changes in opening balance due to currency fluctuation	0.06	0.02	0.10	0.18
Change due to business combination	-	-	-	-
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	159.90	(104.34)	(55.56)	-
- Transfers to Stage 2	(37.78)	91.04	(53.26)	-
- Transfers to Stage 3	(13.29)	(123.59)	136.88	-

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(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
- Loans that have been derecognised during the period	(63.55)	(119.47)	(677.26)	(860.28)
New loans originated during the year	279.63	62.60	108.37	450.60
Write-offs	(0.04)	(3.66)	(486.86)	(490.56)
Impact of changes on items within the same stage	(347.63)	197.32	1,055.32	905.01
ECL allowance balance as at 31st March 2025	**565.73**	**584.66**	**2,208.83**	**3,359.22**

The contractual amount outstanding on financial assets that has been written off by the Parent Company during the year ended 31st March 2025 and that were still subject to enforcement activity was ₹ 575.52 crore (31st March 2024: ₹ 1,006.22 crore).

The overall decrease in ECL allowance on the portfolio was driven by movements between stages and higher amount of write offs.

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Residential Loans is, as follows:

Gross exposure reconciliation

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 31st March 2023	**5,366.69**	**1,080.20**	**753.04**	**7,199.93**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	(211.50)	151.74	59.76	-
- Transfers to Stage 2	189.81	(305.69)	115.88	-
- Transfers to Stage 3	23.12	16.04	(39.16)	-
- Loans that have been derecognised during the period	(608.96)	(177.57)	(176.49)	(963.02)
New loans originated during the year	1,794.77	1.07	0.47	1,796.31
Write-offs	-	-	(113.25)	(113.25)
Impact of changes on items within the same stage	(594.12)	(167.43)	50.66	(710.89)
Gross carrying amount balance as at 31st March 2024	**5,959.81**	**598.36**	**650.91**	**7,209.08**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	(325.09)	257.97	67.12	-
- Transfers to Stage 2	69.17	(138.40)	69.23	-
- Transfers to Stage 3	7.76	6.17	(13.93)	-
- Loans that have been derecognised during the period	(653.29)	(120.44)	(117.86)	(891.59)
New loans originated during the year	1,819.08	4.14	1.97	1,825.19
Write-offs	-	-	(67.15)	(67.15)
Impact of changes on items within the same stage	(503.81)	(127.28)	58.65	(572.44)
Gross carrying amount balance as at 31st March 2025	**6,373.63**	**480.52**	**648.94**	**7,503.09**

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Reconciliation of ECL balance on Residential Loans

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 31st March 2023	**52.29**	**94.55**	**207.83**	**354.68**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	(2.67)	1.79	0.88	-
- Transfers to Stage 2	16.61	(26.74)	10.13	-
- Transfers to Stage 3	6.75	4.77	(11.52)	-
- Loans that have been derecognised during the period	(6.63)	(15.52)	(57.57)	(79.72)
New loans originated during the year	4.03	0.17	0.14	4.34
Write-offs	-	-	(31.20)	(31.20)
Impact of changes on items within the same stage	(54.46)	(9.77)	91.91	27.68
ECL allowance balance as at 31st March 2024	**15.92**	**49.25**	**210.60**	**275.78**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	(1.64)	1.27	0.37	-
- Transfers to Stage 2	6.63	(11.63)	5.00	-
- Transfers to Stage 3	2.69	2.18	(4.87)	-
- Loans that have been derecognised during the period	(2.00)	(7.76)	(40.37)	(50.13)
New loans originated during the year	1.49	0.83	0.57	2.89
Write-offs	-	-	(30.66)	(30.66)
Impact of changes on items within the same stage	(12.29)	13.46	410.31	411.48
ECL allowance balance as at 31st March 2025	**10.81**	**47.60**	**550.95**	**609.36**

The decrease in ECL of the portfolio was on account of better recoveries during the year and appropriation of ECL provision of written off assets.

The contractual amount outstanding on financial assets that have been written off during the year ended 31st March 2025 and are under enforcement activity was ₹ 37.44 crore (31st March 2024 : ₹ 66.25 crore)

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to SME Loans including Bills of exchange is, as follows:

Gross exposure reconciliation

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 31st March 2023	**4,386.46**	**20.53**	**49.69**	**4,456.68**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	6.58	(6.26)	(0.32)	-
- Transfers to Stage 2	(42.40)	43.43	(1.03)	-
- Transfers to Stage 3	(30.33)	(7.40)	37.73	-
- Loans that have been derecognised during the period	(1,406.70)	(4.84)	(4.12)	(1,415.66)

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(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
New loans originated during the year	2,910.39	4.76	2.64	2,917.79
Write-offs	(0.41)	(0.19)	(38.52)	(39.12)
Impact of changes on items within the same stage	(1,095.22)	(9.09)	(2.97)	(1,107.28)
Gross carrying amount balance as at 31st March 2024	**4,728.37**	**40.94**	**43.10**	**4,812.41**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	7.86	(7.67)	(0.19)	0.00
- Transfers to Stage 2	(41.17)	41.82	(0.65)	(0.00)
- Transfers to Stage 3	(69.23)	(8.23)	77.46	-
- Loans that have been derecognised during the period	(1,745.49)	(12.41)	(6.22)	(1,764.12)
New loans originated during the year	3,917.60	15.90	0.81	3,934.31
Write-offs	(8.04)	(3.99)	(28.80)	(40.83)
Impact of changes on items within the same stage	(761.46)	(11.32)	(20.45)	(793.23)
Gross carrying amount balance as at 31st March 2025	**6,028.44**	**55.04**	**65.06**	**6,148.54**

Reconciliation of ECL balance

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 31st March 2023	**15.85**	**1.99**	**28.37**	**46.21**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	0.78	(0.58)	(0.20)	-
- Transfers to Stage 2	(0.23)	0.88	(0.65)	-
- Transfers to Stage 3	(0.15)	(0.81)	0.96	-
- Loans that have been derecognised during the period	(1.69)	(0.35)	(2.59)	(4.63)
New loans originated during the year	4.09	0.58	1.21	5.88
Write-offs	-	(0.02)	(21.38)	(21.40)
Impact of changes on items within the same stage	(10.57)	3.33	13.64	6.40
ECL allowance balance as at 31st March 2024	**8.08**	**5.02**	**19.37**	**32.47**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	1.03	(0.94)	(0.09)	-
- Transfers to Stage 2	(0.12)	0.41	(0.30)	(0.01)
- Transfers to Stage 3	(0.21)	(1.00)	1.20	(0.01)
- Loans that have been derecognised during the period	(1.46)	(1.53)	(2.85)	(5.84)
New loans originated during the year	7.31	6.08	0.61	14.00
Write-offs	(0.02)	(0.49)	(12.84)	(13.35)
Impact of changes on items within the same stage	(1.41)	10.89	44.43	53.91
ECL allowance balance as at 31st March 2025	**13.20**	**18.44**	**49.53**	**81.17**

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The contractual amount outstanding on financial assets that has been written off by the Group during the year ended 31st March 2025 and that were still subject to enforcement activity was ₹ 24.45 crore (31st March 2024: ₹40.48 crore).

The increase in ECL of the portfolio was driven by increase in the gross size of the portfolio.

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to other undrawn commitments of Retail and Residential loans is, as follows:

Gross exposure reconciliation

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 31st March 2023	**504.99**	**0.06**	**(0.00)**	**505.05**
Changes due to loans recognised in the opening balance that have:				
New Exposures	559.62	0.03	-	559.64
Exposure derecognised or matured/ lapsed (excluding write-offs)	(569.03)	(0.04)	(0.00)	(569.07)
- Transfers to Stage 1	(0.80)	0.71	0.09	(0.00)
- Transfers to Stage 2	0.01	(0.01)	0.00	-
- Transfers to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(24.79)	(0.13)	-	(24.92)
Gross carrying amount balance as at 31st March 2024	**470.00**	**0.62**	**0.09**	**470.71**
Changes due to loans recognised in the opening balance that have:				
New Exposures	731.45	0.15	0	731.60
Exposure derecognised or matured/ lapsed (excluding write-offs)	(537.21)	(0.63)	(0.10)	(537.94)
- Transfers to Stage 1	(0.41)	0.36	0.05	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(24.59)	(0.10)	-	(24.69)
Gross carrying amount balance as at 31st March 2025	**639.24**	**0.40**	**0.04**	**639.68**

Reconciliation of ECL balance on loan commitments

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 31st March 2023	**3.79**	**0.01**	**0.00**	**3.80**
Changes due to loans recognised in the opening balance that have:				
New Exposures	0.90	0.00	-	0.91
Exposure derecognised or matured/ lapsed (excluding write-offs)	0.02	-	-	0.02
- Transfers to Stage 1	(0.44)	0.01	0.00	(0.43)
- Transfers to Stage 2	0.00	(0.00)	0.00	-
- Transfers to Stage 3	-	-	-	-

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(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
- Loans that have been derecognised during the period	(2.99)	(0.00)	(0.00)	(2.99)
Impact of changes on items within the same stage	(0.29)	0.02	0.02	(0.24)
ECL allowance balance as at 31st March 2024	**1.00**	**0.04**	**0.03**	**1.06**
Changes due to loans recognised in the opening balance that have:				
New Exposures	1.02	0.02	-	1.04
Exposure derecognised or matured/ lapsed (excluding write-offs)	(0.02)	-	-	(0.02)
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Loans that have been derecognised during the period	(0.85)	(0.04)	(0.02)	(0.91)
Impact of changes on items within the same stage	(0.09)	0.02	0.01	(0.06)
ECL allowance balance as at 31st March 2025	**1.06**	**0.04**	**0.02**	**1.11**

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Financial Investments measured at amortised cost is, as follows:

Gross exposure reconciliation

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 31st March 2023	**1,446.68**	**-**	**-**	**1,446.68**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognised during the period	(163.42)	-	-	(163.42)
New Investments originated during the year	124.98	-	-	124.98
Write-offs	-	-	-	-
Impact of changes on items within the same stage	29.96	-	-	29.96
Gross carrying amount balance as at 31st March 2024	**1,438.20**	**-**	**-**	**1,438.20**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognised during the period	(144.70)	-	-	(144.70)
New Investments originated during the year	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(37.63)	-	-	(37.63)
Gross carrying amount balance as at 31st March 2025	**1,255.87**	**-**	**-**	**1,255.87**

Notes forming part of the Consolidated Financial Statements

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Reconciliation of ECL balance

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 31st March 2023	**0.98**	**-**	**-**	**0.98**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognised during the period	-	-	-	-
New Investments originated during the year	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(0.98)	-	-	(0.98)
ECL allowance balance as at 31st March 2024	**-**	**-**	**-**	**-**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognised during the period	-	-	-	-
New Investments originated during the year	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
ECL allowance balance as at 31st March 2025	**-**	**-**	**-**	**-**

Significant changes in the gross carrying value that contributed to change in loss allowance

The Group mostly provide loans to retail individual customers in Rural and Semi urban area which is of small ticket size. Change in any single customer repayment will not impact significantly to companies provisioning. All customers are being monitored based on past due and corrective actions are taken accordingly to limit the companies risk.

Concentration of Credit Risk

Group's loan portfolio is predominantly to finance retail automobile and home loans. The Group manages concentration of risk primarily by geographical region in India. The following tables show the geographical concentrations of loans and trade advances:

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Concentration by Geographical region in India:		
North	41,710.40	34,300.30
East	22,789.92	21,138.72
West	37,449.66	31,846.11
South	25,204.37	22,498.98
	127,154.35	**109,784.11**
Concentration by Geographical region outside India:		
Sri Lanka	434.01	241.64
	434.01	**241.64**
Total Gross Carrying Value	**127,588.36**	**110,025.75**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

Maximum Exposure to credit Risk

The maximum exposure to credit risk of loans and investment securities is their carrying amount. The maximum exposure is before considering the effect of mitigation through collateral.

Narrative Description of Collateral

Collateral primarily include vehicles purchased by retail loan customers, residential property in case of housing loan and machinery & property in case of SME customers. The financial investments are secured by way of a first ranking pari-passu and charge created by way of hypothecation on the receivables of the other company.

Quantitative Information of Collateral

The Group monitors its exposure to retail loan portfolio using the Loan To Value (LTV) ratio, which is calculated as the ratio of the gross amount of the loan to the value of the collateral. The value of the collateral for Retail loans is derived by writing down the asset cost at origination by 20% p.a on reducing balance basis. And the value of the collateral of Stage 3 Retail loans is based on the Indian Blue Book value for the particular asset. The value of collateral of SME loans is based on fair market value of the collaterals held.

Gross value of total secured loans to value of collateral

(₹ in Crore)

Loan To Value	Gross Value of Secured Retail loans		Gross Value of total Residential loans		Gross Value of Secured SME loans	
	31st March 2025	31st March 2024	31st March 2025	31st March 2024	31st March 2025	31st March 2024
0 - 50%	7,607.69	6,381.86	2,973.69	2,845.03	2,183.72	1,720.07
51 - 70%	16,218.36	13,688.35	2,391.55	2,440.42	1,074.94	917.03
71 - 100%	64,950.55	57,039.81	2,137.73	1,922.68	610.80	300.27
Above 100%	21,244.74	17,397.09	-	-	41.14	233.26
Total	**110,021.34**	**94,507.11**	**7,502.97**	**7,208.13**	**3,910.60**	**3,170.63**

Gross value of credit impaired loans to value of collateral

(₹ in Crore)

Loan To Value	Gross Value of Retail loans in stage 3		Gross Value of Residential loans in stage 3		Gross Value of SME loans in stage 3	
	31st March 2025	31st March 2024	31st March 2025	31st March 2024	31st March 2025	31st March 2024
0 - 50%	608.06	103.22	309.14	300.05	27.51	7.46
51 - 70%	717.54	122.78	247.93	264.11	5.10	1.34
71 - 100%	1,783.27	482.66	91.88	86.75	6.31	1.30
Above 100%	1,239.64	2744.62	-	-	26.15	33.01
Total	**4,348.51**	**3,453.28**	**648.95**	**650.91**	**65.07**	**43.11**

Quantitative Information of Collateral

The below tables provide an analysis of the current fair values of collateral held for stage 3 assets. The value of collateral has not been considered while recognising the loss allowances.

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for the year ended 31st March 2025

Fair value of collateral held against Credit Impaired assets

(₹ in crore)

31st March 2025	Maximum exposure to Credit Risk	Vehicles	Plant and Machinery	Land and Building	Book Debts, Inventory and other Working Capital items	Surplus/ (Deficient) Collateral	Total Secured Collateral	Net Exposure	Associated ECL
Retail Loans	4,348.51	6,763.26	-	-	-	2,596.74	4,166.52	181.99	2,208.83
Residential Loans	648.95	-	-	1,395.32	-	764.84	630.48	18.47	550.95
SME Loans	65.07	-	42.57	38.15	44.00	85.69	39.03	26.04	49.53

(₹ in crore)

31st March 2024	Maximum exposure to Credit Risk	Vehicles	Plant and Machinery	Land and Building	Book Debts, Inventory and other Working Capital items	Surplus/ (Deficient) Collateral	Total Secured Collateral	Net Exposure	Associated ECL
Retail Loans	3,453.28	2,588.15	-	-	-	381.64	2,206.51	1,246.77	2,181.10
Residential Loans	650.91	-	-	1,402.48	-	763.41	639.07	11.84	210.60
SME Loans	43.11	-	25.98	43.52	0.07	62.88	6.69	36.42	19.37

50.3 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The holding company also provides credit lines to its subsidiaries as and when necessary.

a) Maturity profile of non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

(₹ in crore)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
As at 31st March 2025				
Trade Payable :	1,459.08	0.16	-	-
Debt Securities :				
- Principal	10,146.00	8,459.63	6,062.60	4,110.50
- Interest	1,865.85	2,438.30	1,236.68	811.80
Borrowings (Other than Debt Securities) :				
- Principal	26,054.81	38,712.45	7,010.70	68.79
- Interest	4,291.57	3,814.30	308.55	0.51

Notes forming part of the Consolidated Financial Statements

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(₹ in crore)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Deposit :				
- Principal	4,150.50	5,926.04	1,030.53	-
- Interest	629.58	1,131.32	279.76	-
Subordinated liabilities :				
- Principal	235.00	1,587.25	471.87	3,506.86
- Interest	479.93	786.29	621.81	1,048.66
Other financial liabilities :	636.23	216.94	156.71	127.30
Total	**49,948.55**	**63,072.69**	**17,179.22**	**9,674.42**
As at 31st March 2024				
Trade Payable :	1,743.53	-	-	-
Debt Securities :				
- Principal	10,454.27	12,217.77	1,038.69	6,177.68
- Interest	2,123.66	2,704.14	1,116.28	1,502.63
Borrowings (Other than Debt Securities) :				
- Principal	19,387.42	27,985.68	9,305.32	111.12
- Interest	3,412.80	3,555.18	510.50	0.79
Deposit :				
- Principal	2,652.93	3,592.21	952.05	-
- Interest	516.93	684.51	254.24	-
Subordinated liabilities :				
- Principal	283.75	1,284.89	564.59	2,333.22
- Interest	379.10	645.73	453.05	712.21
Other financial liabilities :	2,114.71	357.53	159.00	142.93
Total	**43,069.10**	**53,027.64**	**14,353.72**	**10,980.58**

b) Maturity profile of derivative financial liabilities

The following table details the Group's liquidity analysis for its derivative financial instruments.

(₹ in crore)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Derivative financial instruments				
As at 31st March 2025				
Foreign exchange forward contracts				
- Payable	233.74	49.81	-	-
- Receivable	-	6.02	-	-
Interest Rate swaps				
- Payable	8.21	59.78	20.96	-
- Receivable	-	-	-	-
Currency swaps				
- Payable	47.18	-	-	-
- Receivable	24.33	-	-	-
Total Payable	**289.13**	**109.59**	**20.96**	**-**
Total Receivable	**24.33**	**6.02**	**-**	**-**

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(₹ in crore)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
As at 31st March 2024				
Foreign exchange forward contracts				
- Payable	0.97	199.74	-	-
- Receivable	-	-	-	-
Interest Rate swaps				
- Payable	-	3.15	-	-
- Receivable	-	-	-	-
Currency swaps				
- Payable	-	164.23	-	-
- Receivable	-	-	-	-
Total Payable	**0.97**	**367.12**	**-**	**-**
Total Receivable	**-**	**-**	**-**	**-**

50.4 a) Financial Instruments regularly measured using Fair Value - recurring items

(₹ in crore)

Type of instrument	Financial assets / financial liabilities	Category	Fair Value As at 31st March 2025	Fair Value As at 31st March 2024	Fair value hierarchy	Valuation technique(s)	Key inputs	Significant unobservable input(s) for level 3 hierarchy	Relationship of unobservable inputs to fair value and sensitivity
1) Foreign currency forwards, Interest rate, currency swaps & commodity derivatives	Financial Assets / (Liabilities)	Financial Instruments measured at FVTPL / FVOCI	(360.66)	(335.27)	Level 2	Discounted Cash Flow	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counter parties.		
2) Investment in Mutual Funds	Financial Assets	Financial instrument measured at FVTPL	352.59	237.34	Level 1	Quoted market price			
3) Investment in Commercial Paper	Financial Assets	Financial instrument measured at FVTPL	24.87	-	Level 1	Quoted market price			
4) Investment in Commercial Paper	Financial Assets	Financial instrument measured at FVTPL	593.75	757.41	Level 2	Quoted market price of similar instrument			
5) Investment in Certificate of deposits with banks	Financial Assets	Financial instrument measured at FVTPL	2,330.40	967.73	Level 2	Quoted market price of similar instrument			
6) Investment in equity instruments-Quoted	Financial Assets	Financial instrument designated at FVOCI	0.18	0.22	Level 1	Quoted market price			

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(₹ in crore)

Type of instrument	Financial assets / financial liabilities	Category	Fair Value: As at 31st March 2025	Fair Value: As at 31st March 2024	Fair value hierarchy	Valuation technique(s)	Key inputs	Significant unobservable input(s) for level 3 hierarchy	Relationship of unobservable inputs to fair value and sensitivity
7) Investment in equity instruments-Unquoted	Financial Assets	Financial instrument designated at FVOCI	126.68	42.42	Level 3	Discounted Cash Flow / Book value	The discounted cash flow method used the future free cash flows of the Company, discounted by firm's WACC plus a risk factor measured by beta, to arrive at the present value. The key inputs includes projection of financial statements (key value driving factors), the cost of capital to discount the projected cash flows.	Terminal growth rate, Weighted average cost of capital.	Increase or decrease in multiple will result in increase or decrease in valuation.
8) Investment in Bonds and Govt securities.	Financial Assets	Financial instrument measured at FVOCI	4,429.26	4,591.05	Level 1	Quoted market price			
8) Investment in Bonds and Govt securities.	Financial Assets	Financial instrument measured at FVOCI	282.09	453.34	Level 2	Quoted market price of similar instrument			

The company doesn't carry any financial asset or liability which it fair values on a non recurring basis..

50.4 b) Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

(₹ in crore)

Particulars	Unquoted Equity investment	Total
31st March 2025		
Opening balance	42.42	42.42
Total gains or losses recognised:		
In Profit or loss		
a) in profit or loss	-	-
b) in other comprehensive income	84.26	84.26
Fair value of -		
Purchases made during the year	-	-
Disposals made during the year		
Transfers into Level 3		
Transfers out of Level 3		
Closing balance	**126.68**	**126.68**
31st March 2024		
Opening balance	42.42	42.42
Total gains or losses recognised:		
In Profit or loss		
a) in profit or loss		
b) in other comprehensive income	-	-
Fair value of -		
Purchases made during the year		-
Issues made during the year		
Disposals made during the year	-	-
Sale made during the year		
Transfers into Level 3		
Transfers out of Level 3		
Closing balance	**42.42**	**42.42**

c) Equity Investments designated at Fair value through Other Comprehensive Income

The Group has made the below equity investments neither for the purpose of trading nor for the purpose of acquiring controlling stake, and accordingly, the investment has been classified in other comprehensive income as per Ind AS 109.5.7.5.

(₹ in crore)

Particulars	31st March 2025	31st March 2024
Equity investment in Smartshift Logistic Solutions Private Limited and Equity Investment in Unquoted shares of CRIB, Sri Lanka		
Fair Value of Investments	126.68	42.42

There are no disposal of investment during the year ended 31st March 2025 and 2024 respectively.

d) Financial Instruments measured at amortised cost

(₹ in crore)

Particulars	Carrying Value	Fair value	Fair value: Level 1	Fair value: Level 2	Fair value: Level 3
As at 31st March 2025					
Financial assets					
a) Bank balances other than cash and cash equivalent	4,016.95	3,989.88	3,901.31	-	88.57
b) Loans and advances to customers	123,513.56	125,310.47	-	-	125,310.47
c) Financial investments - at amortized cost	1,255.87	1,288.88	1,288.88	-	-
Total	**128,786.38**	**130,589.23**	**5,190.18**	**-**	**125,399.04**
Financial liabilities					
a) Debt securities	29,861.90	30,096.32	29,215.45	880.87	-
b) Borrowings other than debt securities	71,753.53	72,250.60	-	72,250.60	-
c) Deposits	11,373.97	11,798.00	-	11,798.00	-
d) Subordinated Liabilities	6,103.84	6,075.34	3,535.41	2,539.93	-
e) Other Financial liabilities	1,042.44	1,055.00	-	575.59	479.41
Total	**120,135.68**	**121,275.26**	**32,750.85**	**88,044.99**	**479.41**

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(₹ in crore)

Particulars	Carrying Value	Fair value	Fair value Level 1	Fair value Level 2	Fair value Level 3
As at 31st March 2024					
Financial assets					
a) Bank balances other than cash and cash equivalent	3,171.55	2,551.47	2,551.47	-	-
b) Loans and advances to customers	106,343.96	105,817.10	-	-	105,817.10
c) Financial investments - at amortized cost	1,438.20	1,484.73	1,312.71	172.02	-
Total	**110,953.71**	**109,853.30**	**3,864.18**	**172.02**	**105,817.10**
Financial liabilities					
a) Debt securities	30,984.91	31,116.45	31,116.45	-	-
b) Borrowings other than debt securities	56,943.87	56,610.25	-	56,610.25	-
c) Deposits	7,533.19	7,662.74	-	7,662.74	-
d) Subordinated Liabilities	4,753.46	4,810.13	4,810.13	-	-
e) Other financial liabilities	877.87	906.06	-	906.06	-
Total	**101,093.30**	**101,105.63**	**35,926.58**	**65,179.05**	**-**

There were no transfers between Level 1 and Level 2.

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalent, trade receivables, balances other than cash and cash equivalents, term deposits and trade payables. Further, such financial assets and financial liabilities are disclosed at Level 1 fair value.

Loans and advances to customers

The fair values of loans and advances are estimated by discounted cash flow models based on contractual cash flows using actual yields.

Financial Investments

For Government Securities and bonds, the quoted market price as on date of reporting is considered for fair value computations. Where such price is not available, quoted market price of similar instruments as on date of reporting is considered.

Borrowings other than deposits from public

The fair value of borrowings is estimated by a discounted cash flow model incorporating interest rate estimates from market-observable data such as secondary prices for its traded debt itself.

Deposits from public

The fair value of deposits received from public is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for that class of deposits segregated by their tenure.

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51 Maturity analysis of assets and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled.

(₹ in Crore)

Particulars	As at 31st March 2025 Within 12 months	As at 31st March 2025 After 12 months	As at 31st March 2025 Total	As at 31st March 2024 Within 12 months	As at 31st March 2024 After 12 months	As at 31st March 2024 Total
Assets						
Cash and cash equivalents	1,830.25	-	1,830.25	903.54	-	903.54
Bank balance	4,016.95	-	4,016.95	3,171.55	-	3,171.55
Derivative financial instruments	30.95	-	30.95	-	-	-
Trade receivables	246.69	-	246.69	173.35	-	173.35
Loans	44,323.33	79,190.23	123,513.56	38,808.53	67,535.43	106,343.96
Investments	5,624.45	4,965.34	10,589.79	2,862.02	6,736.44	9,598.46
Other financial assets	157.77	105.07	262.84	251.58	-	251.58
Current tax assets (Net)	-	736.36	736.36	-	733.47	733.47
Deferred tax Assets (Net)	-	828.55	828.55	-	801.80	801.80
Property, plant and equipment	-	1,027.13	1,027.13	-	982.97	982.97
Capital work-in-progress	-	0.52	0.52	-	-	-
Intangible assets under development	-	65.64	65.64	105.28	0.16	105.44
Other Intangible assets	-	179.82	179.82		24.99	24.99
Other non-financial assets	654.19	122.02	776.21	526.22	98.46	624.68
Total Assets	**56,884.58**	**87,220.68**	**144,105.26**	**46,802.07**	**76,913.72**	**123,715.79**
Liabilities						
Financial Liabilities						
Derivative financial instruments	370.29	21.32	391.61	0.93	334.34	335.27
Trade Payables			-			-
i) total outstanding dues of micro enterprises and small enterprises	0.33	-	0.33	0.42	-	0.42
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,440.32	-	1,440.32	1,678.60	-	1,678.60
Other Payables						
i) total outstanding dues of micro enterprises and small enterprises	2.71	-	2.71	2.80	-	2.80
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17.87	-	17.87	61.71	-	61.71
Debt Securities	11,217.26	18,644.64	29,861.90	10,454.27	19,434.14	29,888.41
Borrowings (Other than Debt Securities)	25,986.94	45,766.59	71,753.53	19,387.42	37,402.12	56,789.54
Deposits	4,244.03	7,129.94	11,373.97	2,652.93	4,521.80	7,174.73
Subordinated Liabilities	527.39	5,576.45	6,103.84	283.75	4,182.70	4,466.45
Other financial liabilities	583.82	458.62	1,042.44	2,092.23	681.94	2,774.17

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(₹ in Crore)

Particulars	As at 31st March 2025			As at 31st March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-Financial Liabilities						
Current tax liabilities (Net)	82.22	-	82.22	128.60	-	128.60
Provisions	173.32	83.42	256.74	155.73	99.00	254.73
Other non-financial liabilities	202.33	2.47	204.80	180.35	5.15	185.50
Total Liabilities	**44,848.83**	**77,683.45**	**122,532.28**	**37,079.74**	**66,661.19**	**103,740.93**
Net	**12,035.75**	**9,537.23**	**21,572.98**	**9,722.33**	**10,252.53**	**19,974.86**
Other undrawn commitments	863.42	-	863.42	645.81	-	645.81
Total commitments	**863.42**	**-**	**863.42**	**645.81**	**-**	**645.81**

52 Related party disclosures:

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

a) Holding Company — Mahindra & Mahindra Limited

b) Fellow Subsidiaries :

(entities with whom the Company has transactions)

- Bristlecone India Limited
- Fifth Gear Ventures Limited
- Gromax Agri Equipment Limited
- Mahindra Aerostructures Private Limited
- Mahindra Agri Solutions Limited
- Mahindra Defence Systems Limited
- Mahindra Electric Mobility Limited
- Mahindra First Choice Wheels Limited
- Mahindra Heavy Engines Limited
- Mahindra Holidays & Resorts India Limited
- Mahindra HZPC Private Limited
- Mahindra Integrated Business Solutions Limited
- Mahindra Last Mile Mobility Limited
- Mahindra Lifespace Developers Limited
- Mahindra Solarize Limited
- Mahindra Summit Agriscience Limited
- Mahindra Susten Pvt Limited
- Mahindra Teqo Pvt Limited
- Mahindra Two wheeler Limited
- Mahindra University
- Mahindra USA, Inc
- Mahindra World City (Jaipur) Limited
- Naandi Community Water Services Private Limited
- NBS International Limited
- New Democratic Electoral Trust
- Sustainable Energy Infra Investment Managers Private Limited
- Swaraj Engines Limited
- Mahindra Electric Automobile Limited
- Mahindra Logistics Limited
- Mahindra Accelo Limited
- Mahindra Happinest Developers Limited

c) Joint Venture(s) / Associate(s):

(entities on whom control is exercised)

- Mahindra Finance USA, Inc
- Mahindra Manulife Investment Management Private Limited
- Mahindra Manulife Trustee Private Limited

d) Joint Venture(s) / Associate(s) of Holding Company:

(entities with whom the Company has transactions)

- Tech Mahindra Limited
- Smartshift Logistics Solutions Private Ltd.
- PSL Media & Communications Ltd
- Tech Mahindra Foundation

e) Key Management Personnel:

(where there are transactions)

- Mr. Raul Rebello
- Mr. Anish Shah
- Mr. Milind Sarwate
- Dr. Rebecca Nugent
- Mr. Diwakar Gupta
- Mr. Ashwani Ghai
- Mr. Vijay Kumar Sharma
- Mr. Amarjyoti Barua
- Mr. Ramesh Iyer (Cease to be KMP w.e.f 29th April 2024)
- Mr. C. B. Bhave (Cease to be KMP w.e.f 2nd Feb 2025)
- Mr. Dhananjay Mungale (Cease to be KMP w.e.f 23rd Jul 2024)
- Mrs. Rama Bijapurkar (Cease to be KMP w.e.f 23rd Jul 2024)

f) Relatives of Key Management Personnel

(where there are transactions)

- Mr. Joan Rebello
- Mr. Dinesh Iyer (Cease to be relatives of KMP w.e.f 29th April 2024)
- Mrs. Janki Iyer (Cease to be relatives of KMP w.e.f 29th April 2024)
- Mrs. Girija Subramanian (Cease to be relatives of KMP w.e.f 29th April 2024)
- Mr. Risheek Ramesh Iyer (Cease to be relatives of KMP w.e.f 29th April 2024)

Notes forming part of the Consolidated Financial Statements
for the year ended 31st March 2025

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

RELATED PARTY TRANSACTIONS

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows:

(₹ in Crore)

Particulars	Holding Company		Fellow Subsidiaries / Joint Ventures / Associates of Holding Company		Joint Venture(s) / Associate(s)		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024
Subvention / Incentive income										
- Mahindra & Mahindra Limited	19.17	28.61	-	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Limited			9.88	7.94						
- Mahindra Electric Mobility Limited	-	-	-	-	-	-	-	-	-	-
Lease rental income										
- Mahindra & Mahindra Limited	93.73	100.64	-	-	-	-	-	-	-	-
- Mahindra Electric Mobility Limited	-	-	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Contech Private Limited	-	-	-	0.01	-	-	-	-	-	-
- Swaraj Engines Limited	-	-	0.41	0.39	-	-	-	-	-	-
- Mahindra Susten Private Limited	-	-	0.30	0.39	-	-	-	-	-	-
- Mahindra Heavy Engines Limited	-	-	0.04	0.28	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	0.28	0.61	-	-	-	-	-	-
- Mahindra Solarize Private Limited	-	-	0.07	0.13	-	-	-	-	-	-
- Mahindra Integrated Business solution	-	-	0.30	0.24	-	-	-	-	-	-
- Mahindra Teqo	-	-	0.13	0.17	-	-	-	-	-	-
- Mahindra Summit Agriscience Limited	-	-	1.50	1.44	-	-	-	-	-	-
- Mahindra Two Wheelers Limited	-	-	0.01	0.10	-	-	-	-	-	-
- Mahindra HZPC Private Limited	-	-	0.13	0.06	-	-	-	-	-	-
- Mahindra Last Mile Mobility Limited	-	-	4.20	0.74	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	0.59	0.03	-	-	-	-	-	-
- Mahindra Lifespace Developers Limited	-	-	0.95	0.14	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	8.51	0.51	-	-	-	-	-	-
- Mahindra Agri Solutions Limited	-	-	1.42	0.67	-	-	-	-	-	-
- Sustainable Energy Infra Investment Managers Private Limited	-	-	0.20	-	-	-	-	-	-	-
- Mahindra Defence Systems Ltd	-	-	0.60	-	-	-	-	-	-	-
- Smartshift Logistics Solutions Pvt Ltd.	-	-	0.47	-	-	-	-	-	-	-
- Mahindra Aerostructures Private Limited	-	-	0.02	-	-	-	-	-	-	-
- Mahindra Electric Automobile Limited	-	-	0.20	-	-	-	-	-	-	-

(₹ in Crore)

Particulars	Holding Company		Fellow Subsidiaries / Joint Ventures / Associates of Holding Company		Joint Venture(s) / Associate(s)		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024
- Mahindra World City (Jaipur) Limited	-	-	0.02	-	-	-	-	-	-	-
- Mahindra Logistics Limited	-	-	0.02	-	-	-	-	-	-	-
Interest income										
- Mahindra & Mahindra Limited	2.17	1.85	-	-	-	-	-	-	-	-
Income from sharing services										
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Private Limited	-	-	-	-	1.05	0.59	-	-	-	-
- Mahindra Manulife Trustee Private Limited	-	-	-	-	-	-	-	-	-	-
Other Income										
- Mahindra & Mahindra Limited	0.34	0.88	-	-	-	-	-	-	-	-
Interest expense										
- Mahindra & Mahindra Limited	-	0.05	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Private Limited	-	-	-	-	4.09	4.10	-	-	-	-
- Tech Mahindra Limited	-	-	-	2.43	-	-	-	-	-	-
- Mahindra Water Utilities Limited	-	-	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	13.55	15.00	-	-	-	-	-	-
- PSL Media & Communications Limited	-	-	0.07	0.07	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	0.06	0.06	-	-
- Mr Raul Rebello	-	-	-	-	-	-	-	0.00	-	-
- Others	-	-	-	-	-	-	-	-	0.18	0.16
Other expenses										
- Mahindra & Mahindra Limited	27.93	53.25	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	23.85	24.63	-	-	-	-	-	-
- Mahindra Defence Systems Limited	-	-	-	1.52	-	-	-	-	-	-
- Bristlecone India Limited	-	-	0.69	0.24	-	-	-	-	-	-
- NBS International Limited	-	-	4.06	5.15	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited.	-	-	73.83	69.65	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

(₹ in Crore)

Particulars	Holding Company		Fellow Subsidiaries / Joint Ventures / Associates of Holding Company		Joint Venture(s) / Associate(s)		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024
- Mahindra Holidays & Resorts India Limited	-	-	0.08	0.16	-	-	-	-	-	-
- Meru Mobility Tech Private Limited	-	-	-	0.01	-	-	-	-	-	-
- Mahindra Solarize Private Limited	-	-	-	-	-	-	-	-	-	-
- Mahindra Accelo Limited	-	-	0.10	-	-	-	-	-	-	-
- Mahindra Happinest Developers Limited	-	-	0.01	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Limited	-	-	0.01	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	62.72	12.27	-	-	-	-	-	-
- Others	-	-	0.28	0.06	-	-	-	-	-	-
- Kanha & Co.	-	-	-	2.28	-	-	-	-	-	-
Donations										
- National Democratic Electoral Trust	-	-	21.00	-	-	-	-	-	-	-
- Tech Mahindra Foundation			0.15							
Remuneration										
- Mr. Ramesh Iyer	-	-	-	-	-	-	3.65	8.15	-	-
- Mr Raul Rebello	-	-	-	-	-	-	3.95	3.90	-	-
Sitting fees and commission										
- Mr C. B. Bhave	-	-	-	-	-	-	0.57	0.53	-	-
- Mr Dhananjay Mungale	-	-	-	-	-	-	0.24	0.53	-	-
- Ms Rama Bijapurkar	-	-	-	-	-	-	0.23	0.50	-	-
- Mr Milind Sarwate	-	-	-	-	-	-	0.69	0.57	-	-
- Dr Rebecca Nugent	-	-	-	-	-	-	0.54	0.46	-	-
- Mr Diwakar Gupta	-	-	-	-	-	-	0.65	0.50	-	-
- Mr Ashwani Ghai	-	-	-	-	-	-	0.47	0.30	-	-
- Mr Siddhartha Mohanty	-	-	-	-	-	-	-	0.04	-	-
- Mr Vijay Kumar Sharma	-	-	-	-	-	-	0.45	-	-	-
Reimbursement from parties										
- Mahindra & Mahindra Limited	1.86	3.05	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Private Limited	-	-	-	-	-	0.06	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	0.07	-	-		-	-	-	-
- Gromax Agri Equipment Limited	-	-	3.90	3.10	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

(₹ in Crore)

Particulars	Holding Company		Fellow Subsidiaries / Joint Ventures / Associates of Holding Company		Joint Venture(s) / Associate(s)		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024
Reimbursement to parties										
- Mahindra & Mahindra Limited	26.30	1.22	-	-	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	-	0.01	-	-	-	-	-	-
- Mahindra USA, Inc	-	-	3.09	2.65	-	-	-	-	-	-
- NBS International Limited	-	-	-	0.29	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	0.42	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd.	-	-	0.02	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	0.01	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd	-	-	0.16	-	-	-	-	-	-	-
Purchase of fixed assets (incl Capital advances)										
- Mahindra & Mahindra Limited	128.69	151.88	-	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd.	-	-	0.19	-	-	-	-	-	-	-
- NBS International Limited	-	-	9.37	9.69	-	-	-	-	-	-
Sale of fixed assets										
- Mahindra & Mahindra Limited	0.44	0.23	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	0.27	0.22	-	-	-	-	-	-
- Mahindra World City (Jaipur) Limited	-	-	0.20	-	-	-	-	-	-	-
Fixed deposits taken										
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-
- PSL Media & Communications Limited	-	-	0.21	0.65	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	25.00	135.00	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	0.17	0.85	-	-
- Mr Raul Rebello	-	-	-	-	-	-	0.00	0.00	-	-
- Others	-	-	-	-	-	-	-	-	2.40	2.17
Fixed deposits matured										
- Mahindra & Mahindra Limited	-	4.19	-	-	-	-	-	-	-	-
- PSL Media & Communications Limited	-	-	0.21	-	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

(₹ in Crore)

Particulars	Holding Company		Fellow Subsidiaries / Joint Ventures / Associates of Holding Company		Joint Venture(s) / Associate(s)		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024
- Mahindra Holidays & Resorts India Ltd			15.00							
- Mr. Ramesh Iyer	-	-	-	-	-	-	0.85	0.80	-	-
- Mr Raul Rebello							0.00			
- Others	-	-	-	-	-	-	-	-	2.30	2.05
Dividend paid										
- Mahindra & Mahindra Limited	405.97	386.64	-	-	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	1.00	0.98	-	-
- Ms. Rama Bijapurkar	-	-	-	-	-	-	0.02	0.02	-	-
- Mr. Dhananjay Mungale	-	-	-	-	-	-	0.01	0.01	-	-
- Mr Raul Rebello	-	-	-	-	-	-	0.00	-	-	-
- Others	-	-	-	-	-	-	-	-	0.00	0.00
Inter corporate deposits repaid / matured										
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	200.00	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	90.00	140.00	-	-	-	-	-	-
- Mahindra Water Utilities Limited	-	-	-	-	-	-	-	-	-	-

Key Management Personnel as defined in Ind AS 24

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

iii) Balances as at the end of the year:

(₹ in Crore)

Particulars	Holding Company		Fellow Subsidiaries / Joint Ventures / Associates of Holding Company		Joint Venture(s) / Associate(s)		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024
Balances as at the end of the period										
Receivables										
- Mahindra & Mahindra Limited	5.93	8.77	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	1.19	0.40	-	-	-	-	-	-
- Mahindra Manulife Investment Management Private Limited	-	-	-	-	-	-	-	-	-	-
- Mahindra First Choice Services Limited	-	-	-	-	-	-	-	-	-	-
- Swaraj Engines Limited	-	-	-	0.00	-	-	-	-	-	-
- Mahindra Summit Agriscience Limited	-	-	-	-	-	-	-	-	-	-
- Mahindra Teqo	-	-	-	0.01	-	-	-	-	-	-
- Mahindra Susten Private Limited	-	-	-	0.01	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	-	0.02	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	-	0.03	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	0.08	-	-	-	-	-	-
- Mahindra Two Wheelers Limited	-	-	-	0.01	-	-	-	-	-	-
- Mahindra Heavy Engines Limited	-	-	-	0.00	-	-	-	-	-	-
- Mahindra Lifespace Developers Limited	-	-	-	0.14	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	0.98	0.45	-	-	-	-	-	-
- Mahindra Last Mile Mobility Limited	-	-	4.42	2.61	-	-	-	-	-	-
- Smartshift Logistics Solutions Pvt Ltd.	-	-	-	-	-	-	-	-	-	-
- Mahindra Aerostructures Private Limited			-							
- Sustainable Energy Infra Investment Managers Private Limited			-							
- Mahindra Defence Systems Ltd			0.09							
- Mahindra Agri Solutions Limited	-	-	-	0.02	-	-	-	-	-	-
Investments										
- Mahindra Finance USA, Inc.	-	-	-	-	210.55	210.55	-	-	-	-
- Mahindra Manulife Investment Management Private. Limited.	-	-	-	-	195.30	195.30	-	-	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

(₹ in Crore)

Particulars	Holding Company		Fellow Subsidiaries / Joint Ventures / Associates of Holding Company		Joint Venture(s) / Associate(s)		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024
- Mahindra Manulife Trustee Private Limited	-	-	-	-	0.50	0.50	-	-	-	-
- New Democratic Electoral Trust	-	-	0.02	0.02	-	-	-	-	-	-
- Smartshift Logistics Solutions Private Limited	-	-	9.50	9.50	-	-	-	-	-	-
Subordinate debt held (including interest accrued but not due)										
- Mahindra Manulife Investment Management Private. Limited.	-	-	-	-	48.57	48.58	-	-	-	-
Payables										
- Mahindra & Mahindra Limited	16.73	3.94	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	2.05	2.75	-	-	-	-	-	-
- Mahindra USA, Inc.	-	-	2.35	0.42	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	2.47	1.85	-	-	-	-	-	-
- Mahindra Defence Systems Limited	-	-	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	1.06	0.13	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	9.97	0.90	-	-	-	-	-	-
- Mahindra Defence Systems Limited	-	-	-	0.38	-	-	-	-	-	-
- Bristlecone India Limited	-	-	-	0.02	-	-	-	-	-	-
- Mahindra Electric Mobility Limited (MEAL)	-	-	1.50	-	-	-	-	-	-	-
- Others	-	-	0.00	0.00	-	-	-	-	-	-
Inter corporate deposits taken (including interest accrued but not due)										
- Tech Mahindra Limited	-	-	-	-	-	-	-	-	-	-
- Mahindra Holidays and Resorts India Limited	-	-	-	93.99	-	-	-	-	-	-
Fixed deposits (including interest accrued but not due)										
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-
- PSL Media & Communications Limited	-	-	0.86	0.88	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	164.54	145.63	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	0.17	0.86	-	-
- Mr Raul Rebello	-	-	-	-	-	-	0.00	0.00	-	-
- Others	-	-	-	-	-	-	-	-	2.48	2.38

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

iv) Disclosure required under Section 186 (4) of the Companies Act, 2013

As at 31st March 2025

(₹ in crore)

Particulars	Relationship	Balance as on 1st April 2024	Advances / investments	Repayments/ sale	Balance as on 31st March 2025
(A) Loans and advances		-	-	-	-
		-	**-**	**-**	**-**
(B) Investments					
Mahindra Finance USA, LLC	Associate	210.55	-	-	210.55
Smartshift Logistics Solutions Pvt. Ltd.	Fellow Associate	9.50	-	-	9.50
Mahindra Manulife Investment Management Private Limited	Joint Venture	195.30	-	-	195.30
Mahindra Manulife Trustee Private Limited	Joint Venture	0.50	-	-	0.50
New Democratic Electoral Trust	Fellow subsidiary	0.02	-	-	0.02
		415.87	**-**	**-**	**415.87**
Total		**415.87**	**-**	**-**	**415.87**

Notes :

i) Above loans & advances and investments have been given for general business purposes.

ii) There were no guarantees given / securities provided during the year.

As at 31st March 2024

(₹ in crore)

Particulars	Relationship	Balance as on 1st April 2023	Advances / investments	Repayments/ sale	Balance as on 31st March 2024
(A) Loans and advances		-	-	-	-
		-	**-**	**-**	**-**
(B) Investments					
Mahindra Finance USA, LLC	Associate	210.55	-	-	210.55
Smartshift Logistics Solutions Pvt. Ltd.	Fellow Associate	9.50	-	-	9.50
Mahindra Manulife Investment Management Private Limited	Joint Venture	195.30	-	-	195.30
Mahindra Manulife Trustee Private Limited	Joint Venture	0.50	-	-	0.50
New Democratic Electoral Trust	Fellow subsidiary	0.02	-	-	0.02
		415.87	**-**	**-**	**415.87**
Total		**415.87**	**-**	**-**	**415.87**

Notes :

i) Above loans & advances and investments have been given for general business purposes.

ii) There were no guarantees given / securities provided during the year.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

v) Details of related party transactions with Key Management Personnel (KMP) are as under:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company or its employees. Accordingly, the Company considers any Director, including independent and non-executive Directors, to be key management personnel for the purposes of IND AS 24 - Related Party Disclosures.

(₹ in crore)

Name of the KMP	Nature of transactions	31st March 2025	31st March 2024
Mr. Ramesh Iyer (Vice-Chairman & Managing Director)			
(Ceased to be a Director w.e.f 29th April 2024)	Gross Salary including perquisites	3.65	7.69
	Commission	-	-
	Stock Option	-	-
	Others - Contribution to Funds	-	0.46
		3.65	**8.15**
Mr. Raul Rebello (Managing Director & Chief Executive Officer)			
(Appointed w.e.f. 1st May 2023)	Gross Salary including perquisites	3.62	3.67
	Commission	-	-
	Stock Option	-	-
	Others - Contribution to Funds	0.33	0.23
		3.95	**3.90**
Mr. Dhananjay Mungale (Independent Director)			
(Ceased to be a Director w.e.f 23rd July2024)	Commission	0.14	0.33
	Sitting fees	0.11	0.17
		0.24	**0.50**
Ms. Rama Bijapurkar (Independent Director)			
(Ceased to be a Director w.e.f 23rd July 2024)	Commission	0.14	0.33
	Sitting fees	0.09	0.14
		0.23	**0.47**
Mr. C.B. Bhave (Independent Director)			
(Ceased to be a Director w.e.f 02nd Feb 2025)	Commission	0.34	0.33
	Sitting fees	0.23	0.17
		0.57	**0.50**
Mr. Milind Sarwate (Independent Director)			
	Commission	0.40	0.33
	Sitting fees	0.29	0.21
		0.69	**0.54**
Dr. Rebecca Nugent (Independent Director)			
	Commission	0.40	0.33
	Sitting fees	0.14	0.10
		0.54	**0.43**
Diwakar Gupta (Independent Director)			
	Commission	0.40	0.08
	Sitting fees	0.24	0.15
		0.64	**0.23**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

(₹ in crore)

Name of the KMP	Nature of transactions	31st March 2025	31st March 2024
Siddhartha Mohanty (LIC of India representative)			
(Ceased to be a Director w.e.f 12th May 2023)	Commission	-	-
	Sitting fees	-	0.04
		-	**0.04**
Vijay Kumar Sharma			
(Appointed w.e.f. 15th May 2024)	Commission	0.35	-
	Sitting fees	0.09	-
		0.45	**-**
Ashwani Ghai (LIC of India representative)			
	Commission	0.39	-
	Sitting fees	0.08	0.04
Total		**0.47**	**0.04**

53 Disclosure of interest in Subsidiaries and interest of Non Controlling Interest :

a) Details of Group's subsidiaries at the end of the reporting period are as follows:

Name of the Subsidiary	Place of Incorporation and Place of Operation	Proportion of Ownership Interest / Voting power	
		31st March 2025	31st March 2024
Mahindra Insurance Brokers Limited (MIBL)*	India	100.00%	100.00%
Mahindra Rural Housing Finance Limited (MRHFL)	India	98.78%	98.88%
Mahindra & Mahindra Financial Services Limited Employees Stock Option Trust	India	100.00%	100.00%
Mahindra Rural Housing Finance Limited Employee Welfare Trust	India	100.00%	100.00%
Mahindra Finance CSR Foundation	India	100.00%	100.00%
Mahindra Ideal Finance Ltd	Sri Lanka	58.20%	58.20%

* During the previous year, the Parent Company has completed the acquisition of 20,61,856 Equity shares of ₹10 each of MIBL, at a price of ₹ 1001 per share on 22nd September 2023 involving a pay-out of ₹206.39 crore which has resulted in an increase in equity investment of an equivalent amount. Consequent to this acquisition, MIBL has become a wholly owned subsidiary of the Parent Company effective from 22nd September 2023.

b) Details of Group's associate / joint venture at the end of the reporting period are as follows:

Name of the Subsidiary	Place of Incorporation and Place of Operation	Proportion of Ownership Interest / Voting power	
		31st March 2025	31st March 2024
Mahindra Manulife Investment Management Private. Limited (Joint Venture)	India	51.00%	51.00%
Mahindra Manulife Trustee Company Private Limited (Joint Venture)	India	51.00%	51.00%
Mahindra Finance USA, LLC (Associate)	USA	49.00%	49.00%

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

c) **Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations and considered in consolidated financial statements:**

(₹ in Crore)

Particulars	Mahindra Insurance Brokers Limited		Mahindra Rural Housing Finance Limited		Mahindra Ideal Finance Limited	
	31st March 2025	31st March 2024	31st March 2025	31st March 2024	31st March 2025	31st March 2024
Financial Assets	828.98	740.47	7,540.77	7,930.36	473.69	329.24
Non Financial Assets	193.68	163.27	336.57	300.55	21.06	21.92
Financial Liabilities	232.37	111.48	6,599.69	6,723.29	400.67	267.39
Non Financial Liabilities	62.65	139.70	17.34	19.53	5.05	2.37
Equity interest attributable to the owners*	727.64	652.56	1,244.92	1,471.40	51.82	47.38
Non-controlling interest*	-	-	15.38	16.67	37.22	34.03
Total Income	1,239.59	1,094.95	1,196.70	1,294.44	77.84	59.86
Expenses (including tax expenses)	1,150.81	971.43	1,424.64	1,290.83	73.70	57.17
Profit / (Loss) for the year	88.78	123.52	(227.94)	3.60	4.14	2.69
Total Comprehensive Income for the year	90.54	122.97	(227.30)	3.75	4.29	2.55
Total Comprehensive Income attributable to the owners of the Company	90.54	122.97	(224.53)	3.71	2.50	1.48
Total Comprehensive Income attributable to the Non-controlling interest	-	-	(2.77)	0.04	1.79	1.07
Dividends paid to Non-controlling interest	-	0.72	-	-	-	-
Opening Cash & Cash Equivalents	12.52	17.32	576.73	314.94	3.08	4.13
Closing Cash & Cash Equivalents	22.51	12.52	135.99	576.73	5.14	3.08
Net Cash inflow / (outflow) - includes Foreign currency translation	9.99	(4.80)	(440.74)	261.79	2.07	(1.06)

* The Equity interest attributable to the owners and Non-controlling interest for MIFL is excluding the impairment loss provision adjusted against identified assets..

d) **Details of Non-Wholly Owned Subsidiaries that have material Non Controlling Interest:**

(₹ in Crore)

Particulars	Place of Incorporation and Place of Operation	Proportion of Ownership Interest and voting rights held by Non-controlling interests		Profit / (Loss) (including OCI) allocated to Non-controlling interest		Accumulated Non-controlling interest	
		31st March 2025	31st March 2024	31st March 2025	31st March 2024	31st March 2025	31st March 2024
Mahindra Insurance Brokers Limited (Refer note 39)	India	0.00%	0.00%	-	-	-	-
Mahindra Rural Housing Finance Limited	India	1.22%	1.12%	(2.77)	0.04	15.39	16.67
Mahindra Ideal Finance Limited	Sri Lanka	41.80%	41.80%	1.79	1.07	28.13	24.94
TOTAL				**(0.98)**	**1.11**	**43.52**	**41.61**

The Company has written put option for acquiring ownership interest held by Non Controlling Interest in the above mentioned subsidiaries.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

e) **Summarised financial information in respect of each of the Group's associate and joint venture that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations and are based on their standalone financial statements:**

Particulars	Mahindra Manulife Investment Management Private Limited		Mahindra Manulife Trustee Private Limited		Mahindra Finance USA, LLC	
	2025	2024	2025	2024	2025	2024
Financial Assets	201.87	205.12	2.33	1.84	9,460.22	9,747.79
Non Financial Assets	24.71	25.63	0.00	0.00	36.91	38.65
Financial Liabilities	26.97	26.84	0.02	0.02	7,651.29	8,123.73
Non Financial Liabilities	21.41	15.45	0.05	0.04	13.88	18.00
Equity interest attributable to the owners	90.88	96.11	1.15	0.91	897.66	805.91
Non-controlling interest	87.32	92.35	1.11	0.87	934.30	838.80
Total Interest Income	6.89	10.49	-	0.00	694.36	644.20
Other income	80.82	53.05	1.14	1.17	29.24	28.83
Finance Costs	1.18	1.19	-	-	332.89	302.05
Depreciation and amortisation	5.67	4.77	0.00	0.00	-	-
Other expenses	90.92	84.85	0.52	0.57	199.10	181.77
Income tax expense	-	-	0.14	0.14	48.53	46.80
Profit / (Loss) for the year	(10.06)	(27.27)	0.48	0.46	143.09	142.41
Total Comprehensive Income for the year	(10.26)	(27.56)	0.48	0.46	143.09	142.41
Total Comprehensive Income attributable to the owners of the Company	(5.23)	(14.06)	0.24	0.23	70.11	69.78
Total Comprehensive Income attributable to the Non-controlling interest	(5.03)	(13.50)	0.24	0.23	72.98	72.63
Opening Cash & Cash Equivalents	0.08	0.10	0.03	0.01	16.59	50.86
Closing Cash & Cash Equivalents	0.10	0.08	0.02	0.03	7.34	16.59
Net Cash inflow / (outflow)	0.02	(0.02)	(0.01)	0.02	(9.25)	(34.27)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate and joint venture recognised in the consolidated financial statements :

Particulars	Mahindra Manulife Investment Management Private Limited		Mahindra Manulife Trustee Private Limited		Mahindra Finance USA, LLC	
	2025	2024	2025	2024	2025	2024
Closing Net Assets	178.20	188.46	2.26	1.78	1,831.96	1,644.71
Group share in %	51.00%	51.00%	51.00%	51.00%	49.00%	49.00%
Group share	90.88	96.11	1.15	0.91	897.66	805.91
Carrying amount	90.88	96.11	1.15	0.91	897.66	805.91

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

54 Additional information as required under Schedule III to the Companies Act, 2013:

Statement of Net assets, Profit and loss and Other comprehensive income attributable to Owners and Non-controlling interest

(₹ in crore)

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Mahindra & Mahindra Financial Services Limited	89.40%	19,286.90	103.13%	2,331.70	73.45%	79.80	101.77%	2,411.50
Subsidiaries								
Indian -								
1. Mahindra Insurance Brokers Limited	3.65%	787.92	3.93%	88.78	1.61%	1.75	3.82%	90.54
2. Mahindra Rural Housing Finance Limited	3.10%	669.67	-10.08%	(227.94)	0.59%	0.64	-9.59%	(227.30)
3. Mahindra & Mahindra Financial Services Limited Employees Stock Option Trust	0.19%	40.83	0.10%	2.33	0.00%	-	0.10%	2.33
4. Mahindra Rural Housing Finance Limited Employee Welfare Trust	0.02%	4.20	-0.03%	(0.64)	0.00%	-	-0.03%	(0.64)
5. Mahindra Finance CSR Foundation	0.00%	(0.00)	0.00%	-	0.00%	-	0.00%	-
6. Mahindra Ideal Finance Limited	0.28%	60.91	0.11%	2.41	3.22%	3.50	0.25%	5.91
Foreign -	-	-	-	-	-	-	-	-
Non-controlling Interests in all Subsidiaries	0.20%	43.52	-0.04%	(1.00)	1.30%	1.41	0.02%	0.41
Associates (Investment as per the equity method)								
Indian -	-	-	-	-	-	-	-	-
Foreign -								
Mahindra Finance USA, LLC	3.09%	666.31	3.10%	70.11	19.92%	21.64	3.87%	91.75
Joint Ventures (Investment as per the equity method)								
Indian -	-	-	-	-	-	-	-	-
1. Mahindra Manulife Investment Management Private Limited	0.05%	11.78	-0.23%	(5.13)	-0.09%	(0.10)	-0.22%	(5.23)
2. Mahindra Manulife Trustee Private Limited	0.00%	0.95	0.01%	0.24	0.00%	-	0.01%	0.24
Total	**100.00%**	**21,572.98**	**100.00%**	**2,260.87**	**100.00%**	**108.64**	**100.00%**	**2,369.51**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2025

55 During the year ended 31st March 2025, the Parent Company has made a contribution of ₹ 21.00 crore to New Democratic Electoral Trust, a Trust approved by the Central Board of Direct Taxes under Electoral Trust Scheme, 2013 to enable Electoral Trust to make contributions to political party/parties duly registered with the Election Commission, in such manner and at such times as it may decide from time to time. This contribution was as per the provisions of section 182 of the Companies Act, 2013. There was no such contribution made during the year ended 31st March 2024.

56 Events after the reporting date

There have been no other events after the reporting date that require disclosure in these financial statements.

57 Previous year figures have been regrouped /reclassified wherever necessary to conform to current year presentation.

Signatures to Notes 1 to 57

In terms of our report attached.
For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No: 044577

For M. P. Chitale & Co.
Chartered Accountants
Firm's Registration No: 101851W

Ashutosh Pednekar
Partner
Membership No: 041037

Mumbai
22nd April 2025

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Mumbai
22nd April 2025

Annexure A

Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries /associate companies / joint ventures in the Consolidated Financial Statements

Part "A" : Subsidiaries [as per section 2(87) of the Companies Act, 2013]

(₹. in crore)

1	Sl No.	1	2	3	4	5	6
2	Name of the subsidiary	Mahindra Insurance Brokers Ltd.	Mahindra Rural Housing Finance Ltd.	Mahindra CSR Foundation	Mahindra Manulife Investment Management Pvt. Ltd.	Mahindra Manulife Trustee Company Pvt. Ltd.	Mahindra Ideal Finance Limited
3	The date since when subsidiary was acquired	7th April, 2004	9th April, 2007	2nd April, 2019	20th June, 2013	25th April, 2013	8th July, 2021
4	Reporting period for the subsidiary concerned	1st April, 2024 to 31st March, 2025	1st April, 2024 to 31st March, 2025	1st April, 2024 to 31st March, 2025	1st April, 2024 to 31st March, 2025	1st April, 2024 to 31st March, 2025	1st April, 2024 to 31st March, 2025
5	Reporting currency as on the last date of the relevant Financial year	INR	INR	INR	INR	INR	LKR
6	Exchange rate	1.00	1.00	1.00	1.00	1.00	0.289
7	Share Capital	10.31	122.46	0.00	382.94	0.98	55.11
8	Reserves and Surplus	717.33	1,137.84	-0.00	-204.74	1.28	33.93
9	Total Assets	1,022.66	7,877.34	0.01	226.59	2.33	494.76
10	Total Liabilities (excluding Equity Share Capital and Reserves)	295.02	6,617.04	0.01	48.39	0.07	405.72
11	Investments (excluding subsidiaries)	285.47	402.00	-	161.31	2.26	40.43
12	Turnover	1,239.59	1,196.70	0.02	87.71	1.14	77.84
13	Profit / (Loss) before tax	123.92	-304.58	-0.00	-10.06	0.62	7.93
14	Provision for tax	35.14	-76.64	-	-	0.14	3.79
15	Profit after tax	88.78	-227.94	-0.00	-10.06	0.48	4.14
16	Other Comprehensive Income	1.75	0.64	-	-0.20	-	0.15
17	Total Comprehensive Income	90.54	-227.30	-0.00	-10.26	0.48	4.29
18	Proposed dividend & tax thereon	53.61	-	-	-	-	
19	Proportion of ownership interest	100.00%	98.78%	100.00%	51.00%	51.00%	58.20%
20	Proportion of voting power where different	NA	NA	NA	NA	NA	NA

For Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN:10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Place: Mumbai
Date : 22nd April 2025

Part "B" : Details of Associates / Joint Ventures [as per section 2(6) of the Companies Act, 2013]

(₹. in crore)

	Name of Associate / Joint Venture	Mahindra Finance USA, LLC
1.	Latest audited Balance Sheet Date	31st March 2025
2.	Date on which the Associate/Joint Venture was associated or acquired	10th January 2011
3.	Shares of Associate/Joint Ventures held by the company on the year end	
	Number of shares held	35583920
	Cost of Investment in Associates/Joint Venture (₹ in crore)	210.55
	Proportion of ownership interest %	49.00
4.	Description of how there is significant influence	Power to influence decisions
5.	Reason why the associate/joint venture is not consolidated	Not Applicable
6.	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in crore)	897.66
7.	Profit/(Loss) for the year	
	i. Considered in Consolidation (₹ in crore)	70.11
	ii. Not Considered in Consolidation (₹ in crore)	72.98

For Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN:10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Place: Mumbai
Date : 22nd April 2025

Corporate Information

(as on date)

BOARD OF DIRECTORS
Dr. Anish Shah, Chairman
Mr. Raul Rebello, Managing Director & CEO
Mr. Amarjyoti Barua, NED
Mr. Ashwani Ghai, NED

Independent Directors
Mr. Diwakar Gupta - ID
Mr. Milind Sarwate - ID
Dr. Rebecca Nugent - ID
Mr. Vijay Kumar Sharma - ID

Chief Financial Officer
Mr. Pradeep Kumar Agrawal

Company Secretary
Ms. Brijbala Batwal

Registered Office
Gateway Building, Apollo Bunder,
Mumbai - 400 001.
CIN: L65921MH1991PLC059642
Website: www.mahindrafinance.com
E-mail: company.secretary@mahindrafinance.com

Corporate Office
Mahindra Towers, 'A' Wing, 3rd Floor,
Dr. G. M. Bhosale Marg,
P. K. Kurne Chowk,
Worli, Mumbai - 400 018.
Tel.: +91 22 6652 6000

COMMITTEES CONSTITUTED BY THE BOARD, LED BY INDEPENDENT DIRECTORS

Audit Committee
Mr. Diwakar Gupta (C)
Mr. Milind Sarwate
Mr. Vijay Kumar Sharma
Mr. Amarjyoti Barua

Nomination and Remuneration Committee
Mr. Diwakar Gupta (C)
Dr. Anish Shah
Mr. Milind Sarwate
Mr. Vijay Kumar Sharma

Stakeholders Relationship Committee
Mr. Vijay Kumar Sharma (C)
Mr. Ashwani Ghai
Mr. Raul Rebello

Risk Management Committee
Mr. Milind Sarwate (C)
Mr. Diwakar Gupta
Mr. Raul Rebello
Mr. Amarjyoti Barua

Corporate Social Responsibility Committee
Mr. Diwakar Gupta (C)
Mr. Vijay Kumar Sharma
Mr. Raul Rebello

Committee for Strategic Investments
Mr. Milind Sarwate (C)
Mr. Ashwani Ghai
Dr. Anish Shah
Mr. Raul Rebello

IT Strategy Committee
Mr. Milind Sarwate (C)
Dr. Rebecca Nugent
Mr. Raul Rebello
Mr. Amarjyoti Barua

Digital & AI Committee
Dr. Rebecca Nugent (C)
Mr. Milind Sarwate
Mr. Raul Rebello
Mr. Amarjyoti Barua
Ms. Deepa Ranjeet
Mr. Mohit Kapoor
Mr. Bhuwan Lodha

Special Committee of the Board for Monitoring and Follow-up of Fraud Cases
Mr. Diwakar Gupta (C)
Mr. Milind Sarwate
Mr. Raul Rebello

COMMITTEE CONSTITUTED BY BOARD, LED BY MD & CEO

Asset Liability Committee
Mr. Raul Rebello (C)
Mr. Milind Sarwate
Mr. Diwakar Gupta
Mr. Amarjyoti Barua
Mr. Pradeep Kumar Agrawal

Review Committee for classification of wilful defaulters
Mr. Raul Rebello (C)
Mr. Amarjyoti Barua
Mr. Ashwani Ghai

Joint Statutory Auditors
M/s. M. P. Chitale & Co.,
Chartered Accountants
And
M/s. M M Nissim & Co. LLP,
Chartered Accountants

Secretarial Auditor
M/s. KSR & Co., Company Secretaries LLP

Debenture Trustee
Axis Trustee Services Limited
The Ruby, 2nd Floor, SW, 29,
Senapati Bapat Marg, Dadar (West),
Mumbai - 400 028.
Tel.: +91 22 6230 0437;
Fax: +91 22 6230 0700;
Website: www.axistrustee.in
E-mail: debenturetrustee@axistrustee.in

Registrar and Transfer Agents
KFin Technologies Limited
Plot No. 31 & 32, Selenium
Building, Tower B, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddi 500 032,
Telangana, India.
Toll Free No.: 1800-309-4001;
Website: www.kfintech.com;
E-mail: einward.ris@kfintech.com

mahindra FINANCE

Stock Exchange Codes
NSE: M&MFIN
BSE: 532720
Bloomberg: MMFS:IN

Mahindra & Mahindra Financial Services Limited
Mahindra Towers, 'A' Wing, 3rd Floor, Dr. G.M. Bhosale Marg,
P. K. Kurne Chowk, Worli, Mumbai - 400 018
CIN: L65921MH1991PLC059642

Concept, Content & Design WP (info@wyatt.co.in)